Attached for the information of the Committee is the revised summary schedule on non-tariff devices affecting dairy products.
DAIRY PRODUCTS

### Income and Price Support

<table>
<thead>
<tr>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>COM.11/58/Add.1</td>
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<tr>
<td>COM.11/58</td>
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<tr>
<td>COM.11/58/Add.1</td>
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<tr>
<td>L/1048</td>
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<td>L/1163</td>
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</tbody>
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<table>
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<tr>
<th>Canada</th>
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<tbody>
<tr>
<td>COM.11/58/Add.1</td>
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<tr>
<td>COM.11/58</td>
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<tr>
<td>COM.11/58/Add.1</td>
</tr>
<tr>
<td>L/1175</td>
</tr>
</tbody>
</table>

#### Mandated price supports

- **Milk, butterfat and their products** (between 75% and 90% of parity)

#### Other forms of income and price support

- **Production subsidies**
- **Other forms of income and price support**

<table>
<thead>
<tr>
<th>(1) Income</th>
<th>(2) Price Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production subsidy</td>
<td>Consumer subsidy</td>
</tr>
<tr>
<td>Other forms of income and price support</td>
<td></td>
</tr>
</tbody>
</table>

#### Aids to Exports

- **Sales of CCC stocks of non-fat dry milk, butter, column and cheese** when available, may be at less than domestic market prices (see columns (7) and (11)).

#### Surplus Disposal

- **Government-owned dairy products are utilized for ICI transfer and donations in domestic and foreign markets.**

### Quantitative Restrictions

- **Section 22 quotes**

#### Other non-tariff bindings

- **Special U.S. programs for children and military**

### Specific areas

- **Marketing conditions for milk**
- **Subsidy Financing Indirect**

### Remarks

- **Aids to exports**
- **Restrictions Trading Regulations**
- **Quantitative State Mixing**
- **Other Non-tariff Bindings**

#### DAIRY PRODUCTS

- **Butter (first grade creamery); mandatory price support (not less than 90% of average market price of the preceding 10 years).**
- **Cheddar cheese; mandatory price support (not less than 85% of average market price of the preceding 10 years).**
- **Dried skimmed milk; support price was discontinued as from 1 October 1959.**
- **Butter export to United Kingdom in 1950.**
- **Import permits are required for butter, cheddar cheese, dry skimmed milk and butterfat.**
- **1. Stabilization Board purchases butter during the peak production season and sells it on domestic market during the period of low production.**
- **2. The Board will purchase first grade cheddar, if necessary, at support prices.**
- **3. Provincial Milk Control Boards are primarily concerned with regulation of sanitary and contractual arrangements and with controlling prices to producers and, in some cases, to consumers for fluid milk only.**
- **4. Subsidies for: quality cheese, cheese factory improvement and feed freight assistance.**
### DAIRY PRODUCTS (cont.)

<table>
<thead>
<tr>
<th>Income and Price Support</th>
<th>Aids to Exports</th>
<th>Tariff Bindings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(1)</strong> Production Subsidy</td>
<td><strong>(5)</strong> Financing of Losses</td>
<td><strong>(12)</strong> GATT Tariff Bindings</td>
</tr>
<tr>
<td><strong>(2)</strong> Other Forms of Income and Price Support</td>
<td><strong>(6)</strong> Indirect Aids</td>
<td><strong>(11)</strong> Other Non-Tariff Devices and Remarks</td>
</tr>
<tr>
<td><strong>(3)</strong> Consumer Subsidy</td>
<td><strong>(7)</strong> Surplus Disposal</td>
<td><strong>(10)</strong> Mixing Regulations</td>
</tr>
<tr>
<td><strong>(4)</strong> Subsidy</td>
<td><strong>(8)</strong> Quantitative Restrictions</td>
<td><strong>(9)</strong> State Trading</td>
</tr>
</tbody>
</table>

### Netherlands

1. General price supplement.
2. Extra price supplement (Northern regions).
3. Delivery supplement.
4. Transport subsidy for feeding stuffs (delivered to the Northern regions).

**Milk:** Government price guarantee applying to a maximum quantity of 5 million tons.

- a. Guaranteed prices: see column (1)
  - There are no other prices guaranteed by the Government.
- b. Fixed prices for products sold on the domestic market: liquid milk, cream for home consumption.
- c. Floor prices: cheese, butter and alkali milk powder.
  - Note: Wholesalers can sell the above-mentioned products at fixed floor prices to the Governments’ Central Purchase and Sale Office (VKB).

**Butter:** As a consequence of the Netherlands being a regular supplier on the world market the Netherlands exporters must be able to follow world market prices, even when those are lower than the floor-prices. In that case the price difference is paid out of the Dairy Stabilization Fund (see column (1)).

**Compensation Fund:** Losses have to be met by producers themselves. This is effected through the Fund administered by the Dairy Association and financed mainly by internal fees imposed on dairy production.

**Other Non-Tariff Devices and Remarks:**

- b. Dairy Stabilization Fund financed from farmers’ fees; levies on liquid milk for consumption and part of the equalization levies on grain imports.

### Sweden

1. There are no prices guaranteed by the Government.

**Temporary subsidy to increase butter consumption was discontinued as from 1 Sept. 1950.**

**Compensation Fund:** Losses have to be met by producers themselves. This is effected through the Fund administered by the Dairy Association and financed mainly by internal fees imposed on dairy production.

**Other Non-Tariff Devices and Remarks:**

- No quantitative restrictions are applied when dairy products are imported from EEC countries, the sterling area, Finland, Indonesia, Yugoslavia, Morocco, Tunisia, Guinea and Somalia as long as the domestic price remains within the predetermined price limits.

### Denmark

1. Export Boards: non-governmental organization.
3. Import levies: on dried skim milk: go to a fund which is used for the production of price of domestic product used for feeding purposes.

**Guaranteed price: Butter**

The guaranteed price to producers (average price of export rates to various markets) will be secured, if necessary, by way of the home market price.

**Dollar Export Incentive Scheme:** to be abolished on 1 January 1962

**Import licence:**

- fluid milk, canned milk, etc. and butter.

**Liberalized:**

- cheese.

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**Column 11**: See column (2)

**Column 12**: See column 12 (GATT Tariff Bindings)
### Dairy Products (cont.)

<table>
<thead>
<tr>
<th>Income and Price Support</th>
<th>Aids to Exports</th>
<th>Devices and Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Australia</strong> CON.11/2(a)</td>
<td><strong>Austria</strong> CON.11/2(b)/ Add.1</td>
<td><strong>L/II4</strong></td>
</tr>
<tr>
<td><strong>CON.11/14</strong></td>
<td><strong>CON.11/14</strong></td>
<td><strong>L/II4</strong></td>
</tr>
<tr>
<td><strong>Liquid milk.</strong> Subsidy is granted to maintain level of consumer prices.</td>
<td><strong>Butter:</strong> Some of the money raised by the (1). fund (see column (11)) was used for the equalization of export losses (mainly in butter exports) at the period of the critical decline in prices on world markets.</td>
<td><strong>1. Price equalization system:</strong> (butter and cheese) The system has operated on a voluntary basis through agreements made between individual factories and the Dairy Produce Equalization Committee Ltd. and equalization is in effect a pooling of receipts from exports and local sales. **2. The Dairy Produce Board periodically determines minimum export prices of butter and cheese (in various local markets) for the export of butter and cheese to other markets, and all cheese is exported to the United Kingdom. <strong>3. Dairy Stabilization Plan:</strong> Exemptions from import duties have been bound (to Italy). (CON.11/14).</td>
</tr>
<tr>
<td><strong>Annual subsidy on butter and cheese.</strong> (See column (3))</td>
<td><strong>Annual subsidy on butter and cheese:</strong> The subsidy applies to total domestic consumption plus 20% of that quantity which is exported. The subsidy should, therefore, be partly regarded as a subsidy on consumption (see column (2)).</td>
<td><strong>Exempted or condensed milk (whole); evaporated or condensed milk (skimmed, unskimmed); dried milk (whole); dried skim milk (unskimmed).</strong> (CON.11/14).</td>
</tr>
<tr>
<td><strong>Unscented.</strong> (See column (3))</td>
<td><strong>Other Dairy products:</strong> (butter and cheese) The system has operated on a voluntary basis through agreements made between individual factories and the Dairy Produce Equalization Committee Ltd. and equalization is in effect a pooling of receipts from exports and local sales.</td>
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**Income and Price Support**

- **Production Subsidy**
- **Other Forms of Income and Price Support**
- **Consumer Subsidy**
- **Aids to Exports**
- **Financing of Losses**
- **Indirect Aids**
- **Surplus Disposal**
- **Quantitative Restrictions**
- **State Trading**
- **Mixing Regulations**
- **Other Non-tariff Devices and Remarks**
- **Tariff Bindings**

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**Other Non-tariff Devices and Remarks**

- **Astrra**
- **Liquid milk:** Subsidy is granted to maintain level of consumer prices.
- **Butter:** Some of the money raised by the (1). fund (see column (11)) was used for the equalization of export losses (mainly in butter exports) at the period of the critical decline in prices on world markets.

---

**Austria**

- **CON.11/2(a)**
- **CON.11/2(b)/ Add.1**
- **CON.11/4**
- **L/II4**
- **Liquid milk:** Subsidy is granted to maintain level of consumer prices.
- **Butter:** Some of the money raised by the (1). fund (see column (11)) was used for the equalization of export losses (mainly in butter exports) at the period of the critical decline in prices on world markets.

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**Japan**

- **CON.11/2(a)/ Rev.1**
- **CON.11/45**
- **L/II72**
- **Natural changes:** Automatic Approval System.
- **Other dairy products:** Quota system. (Imports of butter permitted only for hotel tourist trade.)
- **Exempted or condensed milk (whole); evaporated or condensed milk (skimmed, unskimmed); dried milk (whole); dried skim milk (unskimmed).** (CON.11/14).
### DAIRY PRODUCTS (cont.)

#### Income and Price Support

<table>
<thead>
<tr>
<th>Country</th>
<th>Production Subsidy</th>
<th>Other Forms of Income and Price Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
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<tr>
<td></td>
<td></td>
<td><strong>(1)</strong> Production Subsidy</td>
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<td><strong>(2)</strong> Consumer Subsidy</td>
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<td></td>
<td></td>
<td><strong>(3)</strong> Financing of Losses</td>
</tr>
<tr>
<td></td>
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<td><strong>(4)</strong> Indirect Aids</td>
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<tr>
<td></td>
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<td><strong>(5)</strong> Surplus Disposal</td>
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<td></td>
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<td><strong>(6)</strong> Quantitative Restrictions</td>
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<td><strong>(7)</strong> State Trading</td>
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<tr>
<td></td>
<td></td>
<td><strong>(8)</strong> Importing Regulations</td>
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<tr>
<td></td>
<td></td>
<td><strong>(9)</strong> Other Non-tariff Devices and Remarks</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>(10)</strong> GATT Tariff Bindings</td>
</tr>
</tbody>
</table>

#### Italy:
- **Manufacture of casein**
- **1. Cheese**; Government makes a limited contribution to the management and stocking costs of the co-operative organizations.
- **2. Fuel**; for agricultural use: Except from the manufacturing tax.
- **Turnover tax**; reimbursement of the tax is extended to cheese and butter.

#### Rhodesia and Nyasaland:
- **1. Cheese**; Manufacture of cheddar and gouda cheese in Southern Rhodesia other than the Dairy Marketing Board.
- **2. Milk**; Price of fresh milk consumed locally is guaranteed. Liquid milk consumed in Northern Rhodesia is subsidized.
- **3. Quality premium** is paid from Government subsidy.
- **4. Dairy bonus scheme** is in force in Southern Rhodesia for butterfat.
- **Guarantee prices**; **Milk and Butterfat**
- **See column (1)**

#### Burma:
- **See column (1)**
- **Condensed and evaporated milk**; State monopoly.
- **Condensed and evaporated milk**; Imports are made through the State monopoly (Civil Supplies Agency).
- **The mechanization of farm operation is promoted by making tractors available at sub-rationed rentals.**

#### Indonesia:
- **See column (1)**
- Foreign exchange made available for importation of dairy products depends entirely on its availability and on the need of the Government to develop the economy.
### Dairy Products (cont.)

<table>
<thead>
<tr>
<th>Income and Price Support</th>
<th>Aids to Exports</th>
<th>Surplus Disposal</th>
<th>Subsidy Financing Indirect of Losses</th>
<th>Aids to Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Production Subsidy</td>
<td>(3) Consumer Subsidy</td>
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<tr>
<td>(2) Other Forms of Income and Price Support</td>
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</tbody>
</table>

**Federal Republic of Germany**

- High quality milk: production + promotion - intended to keep market prices of the products concerned at legally fixed prices within the set limits.

- See column (2)

**United Kingdom**

- Deficiency payment for milk:
  1. Payments are made to the milk marketing boards to meet any deficit between their net commercial revenue and their outlays under the guaranteed prices.
  2. Guaranteed prices apply to a limited quantity ("standard quantity").
  3. For the remainder, there is a "lower guaranteed price" based on the expected average realization price of milk sold for manufacture, with a profit and loss sharing arrangement to give the boards a marketing incentive.

- See column (2)

**Other Non-tariff Devices and Remarks**

- Turnover tax: imported products are subject to the tax. Only the producer stage of agriculture is exempted from the tax. Milk products when treated or processed are exempt.

**GATT Tariff Bindings**

- Milk and cream (solid and concentrated); fresh cheese, soft cheese, internal-mold cheese, processed cheese, emmenthaler cheese, sausages, etc.

**Notes**

1. Open general licence: Butter; except eastern area. Cheeses; from all parts of world except eastern area. Cream; from scheduled territories, including Australian dollar area. Milk; from the scheduled territories. Condensed milk; from all parts of world.
2. Licensing under quotas: Quotas are arranged in accordance with trade agreements, for items which are not admitted under OGL.
3. Free licensing of imports of processed milk (all types) is being continued during the present licensing year, that is, from 1 April 1960.

- 1. Producers' Marketing Boards have been set up for milk.
2. Maximum retail prices are fixed for liquid milk.
3. In addition to the price guarantees, agricultural producers receive production grants (e.g., subsidies for lime and fertilisers, assistance schemes for small farmers intended to bring about greater efficiency and lower costs.)
France

L/1145
COM.11/2(c)/Add.1
COM.11/2(f)
COM.11/2(f)/Add.1

Price stabilization funds are administered by various trade associations or State bodies. These funds are mainly financed from levies on producers; however, auxiliary assistance is afforded to meet any deficits in the form of direct budget allocations and to this extent an element of Government subsidy is introduced.

1. Refunds of 10% of cost of agricultural equipment are granted.
2. Petrol for agricultural use is the object of a tax reimbursement.
3. Taxation on added value: rate on fertilizers reduced.
4. Special privileges for small farmers in connexion with direct taxes.

Income and Price Support

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
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<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
<th>(7)</th>
<th>(8)</th>
<th>(9)</th>
<th>(10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Subsidy</td>
<td>Other Forms of Income and Price Support</td>
<td>Consumer Subsidy</td>
<td>Subsidy</td>
<td>Financing</td>
<td>Indirect Aid</td>
<td>Surplus Disposal</td>
<td>Quantiative Restrictions</td>
<td>State Trading Regulations</td>
<td>Other Non-Tariff Devices and Barriers</td>
</tr>
</tbody>
</table>

Dairy Products (cont.)

1. Target prices for milk (to be reached by annual steps).
2. Target price for milk was agreed to as "campaign price" and became effective on 1 April 1959.
3. Annual indicative price (basis for calculation of "campaign price" for buyers and sellers).
4. Campaign price (not guaranteed prices).
5. Floor and ceiling prices; those are determined, with campaign prices as a basis for butter, non- perishable cheese, powdered milk etc.

Other Tariff Devices

1. Market Organization:
1. National Interprofessional Organizations.
2. Intervention Societies.
3. National Voluntary Committe (advisory capacity).
4. Interlait Society (for milk) performs for account of the State the various market interventions, such as purchasing, stock-piling, releasing stocks, etc. of dairy products.
5. Dairy Market Stabilization Fund is to finance Government interventions in domestic and export markets. Fund is financed by a percentage contribution from the proceeds of "single most transport tax".

Finnland

L/1145
COM.11/2(c)
COM.11/2(c)/Add.1
COM.11/2(c)/Add.1

1. Subsidy to produce price of fertilizers, 2. Subsidy to reduce rail freight charges for milk for agricultural purposes.
3. Subsidy to reimburse part of the price for tractor petrol.
4. Production in Northern Finland and other districts with unfavourable climatic and topographic conditions; supported by paying a higher price for milk. A subsidy for transportation of milk is also paid in those areas.

1. Annual fixed prices to producers: milk and eggs.
2. Target prices: milk and eggs.
3. Target price for milk (to be reached by annual steps).
4. Target price for milk was agreed to as "campaign price" and became effective on 1 April 1959.
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<thead>
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<th>Income and Price Support</th>
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<th>(4) Subsidy Consumer</th>
<th>(3) Consumer Subsidy</th>
<th>(2) Other Forms of Income and Price Support</th>
<th>(1) Production Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxembourg</td>
<td>Structural subsidies:</td>
<td></td>
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<td></td>
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<td></td>
<td>Official producer prices; fixed for milk and butter production (as on the basis of cost of production).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>About 2/3 of this subsidy represents production subsidy. Products affected include, among other important products, butter and milk, for which official producer prices are fixed (see columns (2) and (3)).</td>
<td></td>
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<td></td>
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<td>Note: Structural subsidies are only paid to that part of production which is consumed domestically.</td>
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<tr>
<td></td>
<td>Milk and butter:</td>
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<td>See column (7)</td>
<td>See column (7)</td>
</tr>
<tr>
<td></td>
<td>1. Difference between producer price and consumer price is covered by structural subsidies.</td>
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<td>2. About 1/3 of the structural subsidy represents consumer subsidy.</td>
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</tbody>
</table>

#### Belgium

1. Manufactured milk products: cheeses, milk powder, concentrated milk and cream.
2. Spilling of surplus butter in the summer period to cater for production shortages during the winter period.
3. Intervention prices: butter and milk (not guaranteed price).
4. These prices are based on production cost and the effects of agricultural prices on the cost of living.
5. Intervention is carried out, if necessary, by the OCRA, Government agency, through buying and selling operations to influence the market in order to ensure that target prices are achieved.

**Butter**:

- Subsidies from Agricultural Fund have been granted through OCRA.
- Evaporated milk:
  - Subsidies also paid.
- Note: These subsidies are of exceptional nature and were peculiar to 1958.

**Eggs**: Importation from all sources is subject to specific licensing.

**Butter**: OGRA (OCRA) sometimes imports when domestic prices are high.

1. There are practically no restrictions.
2. Certain products fall under the Benelux minimum price treatment.
3. Common Market Import quotas: As soon as these quotas are exhausted, the Benelux minimum price system becomes effective.

**Soft cheese and hard or medium-hard cheese**: Soft cheeses and hardened hard cheese. (COM.11/10)

#### Luxembourg

1. Products coming under the application of GATT Decision of 3 Dec. 1955: Domestic market is reserved for home production. Imports temporarily only issued upon favourable recommendation of the Minister for Agriculture, with due regard to the country's needs. Products concerned are:
   - fresh milk (whole or skimmed),
   - butter milk, fermented milk, milk cream, preserved milk and cream (in blocks, in powder or condensed),
   - button (fresh or salt, also if melted).
2. Other products: Imports are generally liberalized for OEEC and GATT members.
3. Note: Within the EEC, unilateral import controls are the object of the special protocol concerning Luxembourg.

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<th>(6) Indirect Aids</th>
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<th>(10) Mixing Regulations</th>
</tr>
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<tbody>
<tr>
<td><strong>Switzerland</strong></td>
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<tr>
<td>Milk, butter, cheese,</td>
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<td>cheese; Note: When the activities of the Swiss Central Butter Office (BUTYRA) control the supply of butter, the price for top quality butter is fixed; its disposal is guaranteed by BUTYRA. 3. Cheese: It is the task of the Swiss Union for the Cheese Trade to control the marketing of hard cheese at home and abroad at prices which conform as closely as possible with the basic price for milk.</td>
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### Dairy Products (cont.)

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<td>2. Subsidies on fertilizers</td>
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<td>3. Special subsidies for mountain areas, etc.</td>
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<tr>
<td>4. Transport subsidy for milk.</td>
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### Other Non-tariff Measures

- 1. The Confederation finances agricultural research, and subsidizes agricultural training and information services.
- 2. Grants are allocated to help land improvement, consolidation of arable land, and sanitation of agricultural buildings.
- 3. Subsidies are given to combat livestock epidemics, to promote the use of high quality seed and for insurance of livestock. The customs duties on certain feeds (diesel oil, petroleum and waste spirits) are reduced; most agricultural products and means of production are exempted from the turnover tax.
- 4. Mountain regions generally receive larger grants. Some grants are given only to mountain peasants, for example, for communal purchase of agricultural machinery, for equalizing transport charges, for exporting dairy and beef cattle, for improving housing sanitation and for family allowances.

### Milk Powders

- Milk powder: Aids to cheese; (See columns (1) and (2).)
DAIRY PRODUCTS (cont.)

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<td>Guaranteed prices for butter and cheese fixed at the beginning of each production season by Dairy Products Prices Authority which, in doing so, has regard to such criteria as the need to maintain the stability of the industry and the market realizations for butter and cheese. The guaranteed price is sustained from the dairy industry's own funds. The price for town milk is fixed by the Minister of Agriculture, but is related to the guaranteed price for cheese and also takes into account the higher costs of town milk production.</td>
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**Income and Price Support**

1. Butterfat, cheese milk and industrial milk: Producer prices are fixed. Butter and cheese milk prices are fixed.
2. Butter and cheese: Trade prices are fixed.
3. Condensed milk: Minimum retail margin is fixed.
4. Milk powder: Only the producer's milk price is fixed.

**Aids to Exports**

1. No State subsidy.
2. Stabilization Fund: Built up by means of levies on butter, cheese and industrial milk other than for cheese from which export losses on butter and cheese are met.
3. Milk and butter: Reallocation rebate of 25% on exports of butter and cheese.

**New Zealand**

1. Butter and cheese: applications considered individually.
2. Milk or cream (preserved evaporated or dried, and including any of the foregoing in combination with casein, sugar of milk or other milk product) and sugar of milk; No allocations and licences will be granted only in exceptional cases.
3. Oils: on a levy basis.

**South Africa**

1. Butterfat, cheese milk and industrial milk: Producer prices are fixed.
2. Butter and cheese: Trade prices are fixed.
3. Condensed milk: Minimum retail margin is fixed.
4. Milk powder: Only the producer's milk price is fixed.

**Butter**

A consumer subsidy of approximately 3d., per lb. has been in operation for a number of years. Whilst the consequent lower retail price has probably been of benefit to producers because of increased consumption, the subsidy is essentially a consumer subsidy.

**The Marketing Act: Dairy Board**

1. sole buyer of butter and cheddar and goods cheese.
2. Import by anybody under permit: Processed cheese, condensed milk, milk powder, skin and full cream.
3. No restrictions on imports of cheese other than cheddar, goode and processed cheese.