QUESTIONNAIRE ON ANHYDROUS MILK FAT/BUTTER OIL

Reply - SWEDEN

I. Definition of products

1. Butter oil with a fat content of about 99.9 per cent and a content of moisture of maximum 0.1 per cent (anhydrated butterfat).

2. There is no export or import of butter oil of any significance.

II. Production and utilization

1. The raw materials used are dairy cream or milk (Alfa Laval process).

2. Only one method of production is used in Sweden.

3. Butter oil is mainly produced on special demand within the frame of an agreement between the Swedish dairy industry and the margarine industry. The regularity of deliveries depends on the supplies of milk fat as well as on the prospects on the butter market. Production during the last years is shown in the following table (m.t.):

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968</td>
<td>-</td>
</tr>
<tr>
<td>1969</td>
<td>38</td>
</tr>
<tr>
<td>1970</td>
<td>3,947</td>
</tr>
<tr>
<td>1971 (prov.)</td>
<td>-</td>
</tr>
</tbody>
</table>

Annual production capacity of butter oil is 5,000-9,000 tons.

4. Butter oil is used in the margarine industry (see paragraph II:3).

III. Marketing and trade

1. Butter oil has been produced during the period March-August when milk production is at a maximum. During that period the butter oil has been delivered to the margarine factories in bulk. For deliveries during other periods butter oil has been stored and packed in drums containing about 200 kgs.

   Packaging and deliveries in drums instead of bulk is more expensive (about SKr 0.18 per kg.).
2. Butter oil has been sold only on the home market (cf. paragraph I:2).

An import levy, corresponding to that applied to butter is imposed. The rate of the levy is at present SKr 4.50 per kg. Further a value-added tax is levied. No quantitative restrictions are applied.

3. Butter oil is sold by the Swedish Dairy Association.

IV. Substitution of butter oil

No comments can be made on this subject.