International Dairy Arrangement

INTERNATIONAL DAIRY PRODUCTS COUNCIL

Reply to Questionnaire 5 Regarding Information on Domestic Policies and Trade Measures

NORWAY

Supplement

A. Prices and support programmes

Within the framework of the Agricultural Agreement 1980-81, negotiations were carried out between the Government and the farmers' organizations in the spring 1981. New measures were introduced for the period 1 July 1981-30 June 1982.

In the Agreement the maximum wholesale prices were increased, with the exception of the price of butter. Based on the increase in maximum wholesale prices, it was estimated that the price to producer for milk will increase by approximately 16 öre per litre. The average price to producer was 202 öre per litre in 1980.

The quantity limited price support on milk deliveries has been increased by 20 öre to 103 öre per litre for quantities up to 20,000 litres per year, and by 10 öre to 53 öre per litre for deliveries beyond 20,000 litres and up to 30,000 litres per year.

Measures to stabilize production

In 1980 the total milk deliveries were 4 per cent higher than in 1979. In the first quarter of 1981 the increase in deliveries was as much as 6 per cent. To curb the milk production and bring the dairy market in balance, supply control measures have been further developed, and a new measure was introduced in April 1981.

The premium of the "bonus system" to producers who stabilize their production has been increased from 12 öre to 14 öre per litre in 1981.

A slaughtering premium of Nkr 1,500 per cow has been paid for milk cows that had calved after 1 January 1981. Seven thousand cows have been slaughtered under this scheme.

The measures introduced have had a substantial effect on the milk production. Milk deliveries are expected to show an increase of about 1.5 per cent in 1981.