INTERNATIONAL DAIRY PRODUCTS COUNCIL

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

NORWAY

Supplement

A. Prices and support programmes

In the Agricultural Agreement that came into force on 1 July 1982 the basic support per litre of milk has been reduced from 28 øre to 18 øre.

The quantity limited price support has been increased by 20 øre to 123 øre per litre for quantities up to 20,000 litres annually, and by 10 øre to 63 øre per litre for deliveries beyond 20,000 litres and up to 30,000 litres annually.

In the Agreement the maximum wholesale prices have been increased. Based on the increase in maximum wholesale prices and estimated increase in dairy costs, the price to producer is expected to increase by 9 øre per litre of milk. The average price to producer was 214 øre per litre in 1981.

Measures to stabilize production

The production of milk is expected to increase by approximately 3 per cent in 1982.

The so-called "bonus system" has been applied since 1977 in order to adapt milk production. The farmers' organizations and the Government have agreed to introduce a two-price arrangement based on quotas for the individual producer from 1 January 1983. This quota will be fixed on the basis of the producer's average delivery of milk during the three previous years. The price of milk delivered beyond the quota which the individual producer has been allocated will be 100 øre per litre. The average price was 214 øre per litre in 1981.