International Dairy Arrangement

INTRODUCTION

In Romanian agriculture, found at the time of deep changes represented by the transition period to the market economy, the Government of Romania has fostered the setting up of the new legal frame for developing private property.

By the adoption and application of Law No. 18/1991 on land ownership, the former owners or their inheritants as well as other citizens are entitled to possess land.

The privatization process in agriculture is underway. By the effect of this law, about 80 per cent of the agricultural land will become private property.

The Law on land ownership and Law No. 36 of 6 May 1991 on agricultural companies and other association forms in agriculture, grants the right of private owners to freely associate with a view to setting up agricultural production and trading companies. Also, the improvement of legal measures is evidenced by the recent drafts of the Agricultural Credit Law and Land Leasing Law, which have already been submitted to the Parliament.

The State encourages and supports the land owners through a complex system of assistance, such as: pluralism observance of agricultural association forms, improvement of the acquisition prices regime, introduction of chemical procedures for agricultural output improvement, protection of animals, phytosanitary assistance, accounting assistance and computer financial administration, and the development of rural trade, etc.

In 1991, the revenues in kind of the private owners raised, as well as the sellings on the free markets, while the quantities of goods sold to the State have been diminished.

/.

91-1887
A. Dairy products production

The average cow's milk production in 1991 is estimated at 2,350 litres/head, as against 2,132 litres/head in 1990. The total milk production in 1991 will reach 55,000 thousand hl., out of which for human consumption 33,000 thousand hl., representing an increase of 1 per cent against 1990 and respectively an increase of 0.2 per cent.

The production of butter in the third quarter of 1991 increased by 1.1 per cent as against the second quarter of 1991, while the production of cheeses decreased by 33.2 per cent.

The contracting and acquisition prices guaranteed by the State for milk consumption increased from leu 16/kg. during the third quarter to leu 25/kg. beginning 1 December 1991, while the retail price remained unchanged, i.e. leu 11/kg., the difference being covered by the State. With a view to assuring the consumers social protection, fresh milk, powdered milk and butter will further be subsidized by the State.

Private animal breeders who contract and deliver animals and animal products can receive, against payment, at the retail price, 0.300 kg./husk for each litre of cow's milk or buffalo's milk 3.5 per cent fat, delivered on the basis of a contract.

B. Internal prices and consumption

The average retail prices on free markets for the third quarter were leu 18.58/litre for milk and leu 131.45/kg. for cow's milk feta, representing an increase of 9 per cent and respectively 16 per cent as against the second quarter 1991. These prices are made out on the basis of demand and supply.

The consumption of fresh milk per inhabitant is estimated to reach 174 litres in 1991.

C. Measures at the frontier

For the third and fourth quarters of this year no changes in the level of customs duties have been made. Beginning 1 January 1992, Romania will apply the new import customs tariff, based on the Harmonized System on a six digit level. The great majority of customs duties are between 20 per cent and 25 per cent. The import customs tariff of Romania is available at the GATT secretariat.

The import licensing régime is liberalized, the import licences being issued automatically. For balance-of-payments difficulties and for safeguard purposes surcharges and quotas to import, according to the relevant GATT provisions, may be introduced. No surcharges and no quantitative restrictions for imports of dairy products have been introduced so far.