The participants have agreed to provide information concerning their domestic policies and trade measures including bilateral and plurilateral commitments on the basis of Parts G and H of the Questionnaire (Rule 16 of the Procedure). The documents containing replies to these parts of the Questionnaire are circulated under the symbol IMC/INV; they are revised as and when changes are notified.

This set of documents constitutes the inventory of all measures affecting trade in bovine meat, including commitments resulting from bilateral, plurilateral and multilateral negotiations, which the Council has instructed the secretariat to draw up and keep up to date, under the provisions of Article III of the Agreement (Note to Article III of the Arrangement and Rule 18 of the Rules of Procedure).
Part G

Part G.1 Information of Domestic Policies and Trade Measures

General information

Norway is Europe's northmost country with more than a quarter of her total area north of the Arctic Circle. In the major agricultural areas the length of the summer (temperature above 10°C) is no more than 90-120 days.

For topographical reasons farm land is scattered, and split up in relatively small plots. Relatively large and continuous areas of farm land are found only in a few areas. Norway's total agricultural area makes up only 3 per cent of the country's total area. The agriculture is characterized by relatively small farms.

Because of climatic conditions grass is the most important crop. Two thirds of the total area of farm land are used for grass, and one third for grain, mainly feed grain.

The degree of self-sufficiency in foods, calculated in terms of energy, is about 50 per cent. Of this, fish represented about 7 per cent. When this figure is corrected for the import of feed concentrate, the degree of self-sufficiency is 5 per cent less.

In many areas agriculture together with forestry and fishing are major sources of employment for the local population. In such areas, the main objective of national policies is to stimulate economic development through expansion of existing industries and creation of new jobs. Agricultural policy plays an important rôle in this respect. If such areas shall not become too sparsely populated, measures must be taken to maintain a higher number of people in agriculture than would have otherwise been the case.

The income objective in agriculture is that the income per man year on rationally operated holdings shall be at a level corresponding to the average income per man year in industry. Efficiency norms have been laid down to calculate the income per man year in agriculture. These norms are differentiated according to regional criteria and the size of the farms.

In assessing the size of agricultural production in Norway two main factors are of importance, first the degree of self-sufficiency and secondly the contribution of agriculture to the stabilization of settlement in remote areas.

Norwegian agriculture is primarily a producer of livestock products. For such products the aim is to meet domestic requirement, mainly through production based on home-grown fodder.

Production shall be adjusted closely to the actual demand, so that the surplus production is reduced to a minimum. To a great extent the surplus production is disposed of on the home market. Cheese is the only agricultural product exported on a more permanent basis. A large part of
this necessitates a somewhat larger total milk production - to meet the requirements for liquid milk - than would be the case if the production had been constant throughout the year.

The level of farm product prices, the support to be accorded to agriculture and the actual regulations affecting the marketing of farm products are determined in the negotiations between the Government and the farmers' organizations. (The Agricultural Agreement).

There are guaranteed prices for wool only; for other products the prices established in the Agreement are target prices. The farmers' co-operatives - which have national associations for the different branches - are responsible for regulating the markets and consequently for securing the target prices for the products. The necessary funds for these market regulations are provided in accordance with the Agreement.

Beside the prices there are a great number of programmes and measures in the agricultural policy. Part of these are comprehensive programmes but there are also special programmes for the promotion of agriculture in remote areas and on small farms.

As the disposal of surpluses normally is a costly undertaking in agriculture, a precondition for realising the income goal is that the production is adapted to the market. In the policy to adapt the production, a wide range of measures are used.

The price relations between the various products are of great importance in our policy. Most important is the relation between prices for grain and milk. In the 60s and 70s grain prices were fixed at a relatively high level in order to stimulate specialization in grain production in areas where extensive grain production is possible. This policy has made it possible to increase the more labour intensive milk production in remote areas. In the middle of the 80s this policy was no longer wished or necessary, and the internal conformity between the different producer-groups are now more important.

With the aim to stimulate domestic fodder production and to adjust as far as possible the output of livestock products to demand, prices of feed grain/concentrates are regulated.

If the income in agriculture had been obtained through prices only, the adaptation of the production to the market would have been difficult. A rather substantial part of the income in agriculture in Norway is, however, secured through other measures. Most of such measures are differentiated according to the size of the production on the farm or natural conditions.

I. PRODUCTION

(a) Description of the beef industry

Until 1982 there was a steady increase in the production (totally 25 per cent from 1975 to 1982). From 1983 the production has stabilized
around 72-74 million kg. of beef. In 1987 Norway produced about 74 million kg. of beef.

Almost the whole beef production in Norway is based on dual-purpose breed (Norwegian Red Cattle). Until recently beef production was regarded as a by-product of milk production, and less emphasis was placed on breeding than on milk production. The potential to increase beef production based on dual-purpose breed is very much depending on the number of milk cows. There has been a steady reduction in the number of milk cows, from 404,000 in 1974 to 360,000 in 1987. However, in recent years more emphasis has been laid in breeding as a main product. This can be illustrated by the share of stocks without milk cows. In 1973, 82 per cent of the stocks included milk cows. This percentage has gradually declined since then.

(b) & (c) Support and stabilization measures

Market arrangements for meat are based on fixed average target prices and price ceilings, above which free importation according to special regulations is allowed. They are based on controlled seasonal price variations, subsidies for storage measures, the recovery of losses through exportation, as well as through exceptional sales measures on the domestic market. The arrangements further include quota-regulated import, which usually is practised when the market price is moving towards the price ceiling.

The Norwegian Farmers' Meat Marketing Organizations is responsible for the market regulation of beef. This is a national organization owned by producers, and accounts for approximately 75 per cent of the domestic production of cattle slaughtering.

A general price support on carcasses is given. In the Agreement 1987-88 the support is fixed at NOK 4.05 per kg.

A regional support on carcasses is given in some districts. In the Agreement 1987-88 this support varies from NOK 1.5 to NOK 10.20 per kg. of beef.

Within the framework of the Agricultural Agreement, subsidies are given to reduce costs of transportation of cattle from the farm to the slaughterhouse. Furthermore, freight subsidies are given for transport of carcasses of beef, from surplus regions to deficit regions.

On 1 January 1982 a measure to stimulate the slaughtering of calves was introduced. Until 1985 there was a premium for slaughtering of calves weighing less than 35 kg. This action affected the delivery of heavier slaughter for the coming years, so that deliveries were reduced. At the same time, the number of milk-cows also declined, mainly due to lower prices to the producers. This development has resulted in that there has been no need to regulate beef production in Norway after 1985. Production
stabilization measures and market regulatory measures, which were introduced in the period of large surpluses in the meat sector, are no longer necessary.

The market balance for 1987 came up with a beef surplus of 1,405 tons and veal of 164 tons. This figure shows that presently beef production in Norway is very close to market-balance.

II. Internal prices and consumption

(a) Total consumption of meat has had a relatively strong increase from 1984 until 1986. Yearly consumption increase has been 2.0 kg. per capita from 1984 until 1985, and 1.3 kg. from 1985 until 1986. In 1987 total consumption per capita declined from 49 kg. in 1986 until 48.8 kg. in 1987.

In 1987 per capita consumption of beef was 17.6 kg., of mutton 5.8 kg. and of pork 20.9 kg. From 1974 to 1980 the consumption of beef increased by 19 per cent, while the total consumption of meat increased by 10 per cent. The use of consumer subsidies explains why the consumption of beef increased more than other categories of meat.

In 1981, there was a serious cut in subsidies. This resulted in a 11 per cent decline of beef consumption from 1980 to 1981, which has gradually recovered in the last few years. Consumption has been rising slightly since 1983.

The wholesale price of beef class 1 is NOK 35.05 per kg. and of veal Class 1 NOK 36.80 per kg.

Beef and pork are examples of products with somewhat larger demand elasticities than most other agricultural products. Norwegian calculations made in 1974 indicate that the demand for beef is more price dependent than the demand for pork. Changes in the price relations between these types of meat will have an influence on demand for the one compared to the other. The calculations imply that changes in the price of pork have less effect on consumption of beef than the reverse.

In Norway the per capita consumption of fish is very high, and the price relations between fish and meat is also important for the development of meat consumption. The rather moderate per capita consumption of meat must be viewed in connection with the very high consumption of fish.

Since 1981, when there has been a decline in consumption simultaneous with a production increase, it has not been possible to adjust production to demand only by regulatory production measure. Promotion sales and exports have been necessary. Throughout this action, 984 tons of beef were exported in 1987, mainly to Eastern Europe. Beef imports in 1987 totalled 1,949 tons.
III. Measures at the frontier (Items (a), (b), (e))

Customs tariff on beef and beef products is NOK 2.40 per kg.

Provisions concerning imports aim at providing a reasonable amount of protection for Norwegian agricultural producers against competition from abroad. As a principal rule, it is required that demand for the products concerned shall be fully covered at all times.

One important legal basis for public support to agriculture is the Marketing Act originally passed by the Storting in 1930. The purpose of this Act is to promote the marketing of farm products through co-operative ventures, aiming in this way to develop efficient marketing systems and market regulation through storage, sales promotion, information and exports. The implementation of these operations is entrusted to the farm co-operatives. A part of the expenditure is financed through a fee levied on all sales of the farm products concerned.

In accordance with the import regulation system there are import restrictions on beef.

The Agricultural Agreement sets fixed prices for different categories of meat. If the domestic price exceeds the upper price limit (10 per cent above agreed average price) for two consecutive weeks, import restrictions are suspended to allow free import. The import restrictions are reintroduced when the weekly quotation reaches or falls below the upper price limit.

Prices are based on wholesale price quotations for whole carcasses from the Norwegian Farmers' Meat Marketing Organization.

In consultations with the producers and the importers, the Ministry of Agriculture may however permit quota-regulated imports even if the requirements for free importation are not fulfilled, when it considers importation necessary in order to provide reasonable supply of the product in question.

In practice, imports have normally taken place on the basis of the last mentioned procedure, so that market price is not allowed to reach the upper price limit. By such quantity-restricted imports, a compensatory amount at the frontier is levied to equalize the price between the imported product and the corresponding price of the same product of internal origin.

If outlets on the domestic market cannot be found, the Feed Fund appropriates export subsidies on beef in accordance with the provisions of the Agricultural Agreement.

(d) Sanitary and veterinary regulations

Norway is free from the majority of livestock diseases. In order to prevent domestic livestock from being exposed to health hazard, Norway maintains a complete ban on imports of beef and other animal products.
Exemptions for imports of beef can be granted by the Ministry of Agriculture, Division of Veterinary Services. Import licences can only be given for imports from countries which are able to meet the Norwegian zoo sanitary requirements.

The beef will upon arrival be subject to an import examination, including bacteriological examination, before importation will be permitted.

Export of beef from Norway to other countries can only take place from plants especially approved for exporting.

Part H

Part H. Information on Bilateral or Plurilateral Agreements in the Field of Bovine Animals, Meat and Offals

None.