

WORLD TRADE ORGANIZATION

English only

Supporting Tables Relating to Commitments on Agricultural Products in Part IV of the Schedules

This document contains supporting material relating to commitments on agricultural products contained in Schedule XIII - New Zealand.

Anglais seulement

Tableaux explicatifs concernant les engagements relatifs aux produits agricoles repris dans la Partie IV des Listes

Le présent document contient les données explicatives concernant les engagements relatifs aux produits agricoles inscrits dans la Liste XIII - Nouvelle-Zélande.

Solamente inglés

Cuadros justificantes relativos a los compromisos sobre productos agropecuarios consignados en la Parte IV de las Listas

En el presente documento figura la documentación justificante relativa a los compromisos sobre productos agropecuarios consignados en la Lista XIII - Nueva Zelandia.

Notes for Supporting Document AGST/NZ

1. "GATT document AGST/NZ has been provided only to facilitate interpretation and verification of the New Zealand Draft Final Schedule of agricultural concessions and commitments. The document and its contents do not form any part of New Zealand's Draft Final Schedule of such concessions and commitments".
2. "While care has been taken in the preparation of the contents of AGST/NZ, the draft final document may inadvertently contain technical errors, misprints and/or omissions. New Zealand therefore reserves the right to make amendments and/or corrections to AGST/NZ to rectify any errors, misprints or omissions".

PART A: MARKET ACCESS

Supporting Table 1

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

MARKET ACCESS: NEW ZEALAND

Tariff Equivalents: Tariff Equivalents Calculated Directly from Price Comparisons

Tariff Item Number	Description of Products	Current Rate of Duty (U/B)	Non-Tariff Measure(s) Tariffed	Internal Price ^(a) (NZ\$/tonne)	External Price ^(a) (NZ\$/tonne)	Quality/Variety Adjustment	Tariff Equivalent	
							Specific (NZ\$/tonne)	Ad Valorem
080810	Fresh Apples	0 (B)	Import Monopoly	851.40	990.80	-	(-139.40)*	(-14.07%)*
				901.60	947.00	-	(-45.40)*	(-4.79%)*
				964.90	812.40	-	152.50	18.77%
				905.97	916.73	-	(-10.77)*	(-0.31%)*
080820	Fresh Pears	0 (B)	(d)			-	(-10.77)*	(-0.31%)*
<i>Notes:</i>								
(a) September year 1985/86								
(b) September year 1986/87								
(c) September year 1987/88								
(d) 1986-88 Average Data Used								
* figure presented in brackets indicates a negative value.								
1 New Zealand Apple and Pear Marketing Board (NZAPMB) average wholesale price, net of commission and goods and services tax (GST).								
2 NZAPMB FOB export price.								
3 In view of the minor significance of pears, the fact that border measures affecting pears are the same as for apples, and the difficulty of securing suitable data, the same tariff equivalent has been applied to pears as that calculated for apples.								
4 For apples and pears 6.3% is the offered base rate. This is on the basis that the estimated TE for the base period was negative, even though the New Zealand Apple and Pear Marketing Board operated an import monopoly.								
Sources: NZAPMB; Unpublished Ministry of Agriculture and Fisheries (MAF) data								

MARKET ACCESS: NEW ZEALAND

Tariff Equivalents: Tariffs Calculated Directly from Price Comparisons

[illegible]

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

MARKET ACCESS: NEW ZEALAND

Tariff Equivalents: Derived Tariff Equivalents for Transformed and Processed Product

This table is not applicable to New Zealand's notification.

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

MARKET ACCESS: NEW ZEALAND

Minimum Access Commitments

Description of Products	Tariff Item Number(s) Encompassed in Product Description	Current Access (Product Equivalent) (tonne)	Consumption Quantity (tonne)	Initial New Access Quantity (tonne)	Final New Access Quantity (tonne)	Data Sources	Comments
Fresh Apples	080810	(a) 2,200 (b) 1,375 (c) 2,035 (d) 1,877	51,480 49,830 52,470 51,260	0	686	Import data - NZAPMB. Consumption data - "The Apple Market in OECD Countries", OECD, 1990.	
Fresh Pears	080820	(a) 81 (b) 710 (c) 999 (d) 597	12,804 13,035 13,695 13,178	0	61.9	Import data - NZAPMB. Consumption data - unpublished MAF data.	

Notes:

- (a) September year 1985/86
- (b) September year 1986/87
- (c) September year 1987/88
- (d) 1986-88 Average Data Used

PART B: DOMESTIC SUPPORT
Supporting Table 4

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

DOMESTIC SUPPORT: NEW ZEALAND

Measures Exempt from the Reduction Commitment

Measure Name	Measure Type	Description (including reference to criteria where appropriate)	Monetary Value of Measure (NZ\$million)		Data Sources	Comments
1	2	3	4	5	6	
			March Year 1986-88 (av)	June Year 1990/91		
(a) General Services						
Meat Inspection	Inspection services.	Inspection at meat works and abattoirs for purpose of maintaining required health, safety and grading standards.	34.15	12.16	Estimates of the Expenditure of the Government of New Zealand and MAF unpublished accounts.	The 1986-88 average is based on the three March years 1986/87-1988/89 as the Government accounts were prepared on a March year basis. In 1989, following reforms to the public sector, the Government changed to a June year accounting period for the 1989/90 year onwards. The figure for 1990/91 is therefore assistance given during the June year.
Dairy Inspection	Inspection services.	Inspection of dairy factories for purpose of maintaining required health standards.	10.99	1.76	Estimates of the Expenditure of the Government of New Zealand and MAF unpublished accounts.	
Agricultural Pest Control	Pest and disease control.	Grants to pest destruction boards for carrying out pest eradication activities.	4.68	4.52	Estimates of the Expenditure of the Government of New Zealand and MAF unpublished accounts.	
Noxious Weeds Eradication	Pest and disease control.	Includes employment of plant officers and grants for the eradication of specified weeds.	3.35	0.15	Estimates of the Expenditure of the Government of New Zealand and MAF unpublished accounts.	

Measure Name	Measure Type	Description (including reference to criteria where appropriate)	Monetary Value of Measure (NZ\$million)		Data Sources	Comments
1	2	3	4	5	6	
			March Year 1986-88 (av)	June Year 1990/91		
Animal Health	Pest and disease control	Government carries out programmes to safeguard the health of New Zealand's agricultural animal population and to meet international animal health requirements. These programmes include export quality assurance for live animals; promotion of animal health and welfare; and disease surveillance and eradication.	32.02	32.78	Estimates of the Expenditure of the Government of New Zealand and MAF unpublished accounts.	
Agricultural Quarantine	Pest and disease control	Government provision of border controls to prevent introduction of exotic animal, fish and plant diseases, pests and prohibited species	7.98	11.41	Estimates of the Expenditure of the Government of New Zealand and MAF unpublished accounts.	Government is reducing expenditure in this area with an increasing proportion of funding being provided by users of the services provided.
Research	Research	Agricultural research is undertaken by two Government Departments, the Ministry of Agriculture and Fisheries (MAF) and the Department of Scientific and Industry Research (DSIR). Funding is also granted by the Government to specific organisations for research purposes.	75.05	81.87	Estimates of the Expenditure of the Government of New Zealand and MAF unpublished accounts.	
Advisory Services	Extension and advisory services.	Government provides advisory services to farmers and agribusiness, offering strategic, financial, marketing, operations, and technical advice. The Government helps transfer research developments to producers and the rural community. Also included are payments and grants for agricultural education purposes.	28.79	14.05	MAF unpublished accounts.	Advisory and education services are of a generally beneficial public nature and are therefore not subject to reduction. Nevertheless, the Government has been reducing expenditure in the area of extension and has introduced full cost recovery from users of services.
Horticultural Export Authority (HEA)	Marketing and promotion services.	HEA was established in July 1987 with the primary function of promoting the effective export marketing of horticultural products. Promotes and encourages market analysis and research work and disseminates information.	0.40	0	Estimates of the Expenditure of the Government of New Zealand and MAF unpublished accounts.	While no payments were made in 1990/91 to the HEA, the Government has recommenced grant payments in the 1991/92 year. Kiwifruit and apples and pears are excluded from receiving support from the HEA.

Measure Name	Measure Type	Description (including reference to criteria where appropriate)	Monetary Value of Measure (NZ\$million)		Data Sources	Comments
1	2	3	4	5	6	
			March Year 1986-88 (av)	June Year 1990/91		
Irrigation	Infrastructural services.	Government provides for the construction and maintenance of community irrigation schemes. (See also Rural Water Supply - Supporting Table 10.)	12.32	20.92	Estimates of the Expenditure of the Government of New Zealand, Notes to Ministry of Works and Development of Estimates of Expenditure, and MAF unpublished accounts.	On 31 March 1988 the Ministry of Works and Development (MWD) was dis-established. Consequently, MWD responsibilities for irrigation for passed on to MAF. At that time, the Government also decided that it will not undertake to provide new irrigation schemes. Since that time, expenditure has been made only where previously committed. Farmers are now responsible for their own water costs and the irrigation schemes are being sold by the Government to private buyers. In many cases, farmer co-operatives.
(f) Payments for Relief from Natural Disasters						
Natural Disaster Relief	Natural disaster relief payments.	Government funding provided in the event of a natural disaster or adverse climatic event.	24.07	24.24	Estimates of the Expenditure of the Government of New Zealand and MAF unpublished accounts.	Natural disasters are defined subject to strict climatic criteria, (e.g. a one in 20 year drought, one in 50 year flood). Examples of payments in this category include payouts to farmers and horticulturalists affected by the Bay of Plenty earthquake and Cyclone Bola in 1988/89 and the South Island drought programme in 1990/91.

Background Notes to Supporting Table 4

	Base Period Data (March Year) (NZ\$million)				Current Data (June Year) (NZ\$million)
	1986/87	1987/88	1988/89	1986-88 average	1990/91
(a) General Services					
Meat Inspection (includes overheads)	52.97	22.42	27.07	34.15	12.16
Dairy Inspection (includes overheads)	10.22	11.71	11.04	10.99	1.76
Agricultural Pest Control (1991 is for the Rabbit and Land Management Programme)	5.66	5.03	3.35	4.68	4.52
Noxious Weeds	4.33	3.16	2.57	3.35	0.15
Animal Health:					
Health Services	26.51	30.60	29.17		24.82
Control and eradication of animal diseases (Tb)	3.97	2.60	3.06		2.20
Compensation	0.002	0	0.001		5.76
Vaccine Bank	0	0.09	0.03		0
Veterinary Services Council	0.02	0	0		0
Animal Health Totals	30.50	33.29	32.26	32.02	32.78
<i>(Note: calculations add together figures for general animal health services (includes overheads), values for the Government's specific programmes to control and eradicate disease Tb and brucellosis, and compensatory payments for livestock condemned.)</i>					
<i>1987/88 figure also includes a payment of \$89,000 to the Foot and Mouth Disease Vaccine Bank in the United Kingdom.</i>					
<i>1988/89 figure also includes a payment of \$33,000 to the Foot and Mouth Disease Vaccine Bank in the United Kingdom.</i>					
Agricultural Quarantine	8.17	7.75	8.02	7.98	11.41
Research:					
Ministry of Agriculture and Fisheries - agricultural research (MAF Expenditure on research less research revenue)	52.61	61.92	66.14		72.57
Department of Scientific and Industrial Research - agricultural research	16.73	9.50	8.50		9.00
Research Grants:					
Dairy Products Development Centre	0.64	0.57	0.40		-
NZ Agricultural Engineering Institute	1.63	1.71	1.61		-
Massey University - Poultry Research Centre	0.05	0.02	-		-
Wool Testing Authority	-	-	1.55		-
NZ Dairy Board Livestock Improvement Council	0.52	0.48	0.42		0.30

	Base Period Data (March Year) (NZ\$million)				Current Data (June Year) (NZ\$million)
	1986/87	1987/88	1988/89	1986-88 average	1990/91
Massey University - Pig Research	0.10	0.05	-		-
Total Research	72.28	74.25	78.62	75.05	81.87
Advisory Services:					
MAF Expenditure	26.90	25.30	29.30		13.80
Farm Cadet Scheme	1.50	1.44	1.20		0.25
NZ Pork Industry Board	0.09	0.05	0		0
Royal NZ Institute of Horticulture	0.04	0.03	0.03		0
Subsistence allowances and expenses for farmers attending block courses	0.10	0.08	0.07		0
Taratahi Agricultural Training Centre	0.12	0.13	0		0
Total Advisory Services	28.75	27.03	30.60	28.79	14.05
Horticultural Export Authority	0	0.59	0.60	0.40	0
Irrigation	14.00	10.60	12.37	12.32	20.92
(f) Payment for Relief from Natural Disasters					
Oxford Fires	0.27	0.27			
South Canterbury/North Otago Flood	6.30				
Bay of Plenty Earthquake		1.40	3.22		
Cyclone Bola			56.30		
South Island Drought			4.46		12.47
Cyclone Delilah					0.20
East Coast North Island Drought					10.75
West Coast North Island Flood					0.70
Nelson/Motueka Flood					0.12
Total Natural Disasters	6.57	1.67	63.98	24.07	24.24

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

DOMESTIC SUPPORT: NEW ZEALAND

Measures Exempt from the Reduction Commitment - Special and Differential Treatment

This table is not applicable to New Zealand's notification.

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA**DOMESTIC SUPPORT: NEW ZEALAND*****Aggregate Measurements of Support: Market Price Support***

This table is not applicable to New Zealand's notification.

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

DOMESTIC SUPPORT: NEW ZEALAND

* Aggregate Measurements of Support: Non-Exempt Direct Payments

Description of Basic Products	Measure Type(s)	Applied Administered Price	External Reference Price	Eligible Production	Total Price Related Direct Payments	Other Non-Exempt Direct Payments (NZ\$million)	Associated Fees/Levies (NZ\$million)	Total Direct Payments (NZ\$million)	Data Sources	Comments
1	2	3	4	5	6	7	8	9	10	11
Wheat	Compensatory payment - direct payment per unit of output.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	0.00 9.25 0.03 3.09	Not Applicable	0.00 9.25 0.03 3.09	Estimates of the Expenditure of the Government of New Zealand	This was a one time payment of \$22.50 per tonne paid to wheatgrowers for production in the 1986/87 season. This was to compensate them for the accelerated deregulation of the wheat industry.
Arch Years 986/87 987/88 988/89 986-88av										
Grapes	Vine pull programme - payment per unit of planted land	Not Applicable	Not Applicable	Not Applicable	Not Applicable	2.30 0.00 0.00 0.77	Not Applicable	2.30 0.00 0.00 0.77	Estimates of the Expenditure of the Government of New Zealand	Scheme involved payment of a Government grant of \$6,175/ha for complete removal of grape vines. There were no restrictions made in regard to replanting.
Arch Years 986/87 987/88 988/89 986-88av										

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

DOMESTIC SUPPORT: NEW ZEALAND

Aggregate Measurements of Support: Other Product-Specific Support and Total AMS

Description of Basic Products	Measure Type(s)	Other Product-specific Budgetary Outlays (NZ\$million)	Other Product-specific Support (Include calculation details) (NZ\$million)	Associated Fees/Levies	Total Other Product-specific Support (NZ\$million)	Market Price Support (Supporting Table 6) (NZ\$million)	Non-exempt Direct Payments (Supporting Table 7) (NZ\$million)	Total AMS (NZ\$million)	Data Sources	Comments
1	2	3	4	5	6	7	8	9	10	11
Wool March Years 1986/87 1987/88 1988/89 1986-88av	Interest concessions - Reserve Bank.	Not Applicable	(0.08)* 0.00 0.00 (0.03)*	Not Applicable	(0.08)* 0.00 0.00 (0.03)*	Not Applicable	Not Applicable	(0.08)* 0.00 0.00 (0.03)*	Reserve Bank Annual Report (see Background Notes)	In 1976 a Producer Board Stabilisation Scheme for wool products was established. The scheme was financed through the Reserve Bank at a concessional interest rate of 1%. This programme was terminated on 1 April 1988.
Sheepmeat March Years 1986/87 1987/88 1988/89 1986-88av	Interest concessions - Reserve Bank.	Not Applicable	147.66 0.00 0.00 49.22	Not Applicable	147.66 0.00 0.00 49.22	Not Applicable	Not Applicable		Reserve Bank Annual Report (see Background Notes)	Support notified for this product was provided by two means. 1. In 1981, the New Zealand Meat Producers Board Stabilisation Scheme (MISA) was established. The scheme was financed through the Reserve Bank at a concessional interest rate of 1%. This programme was terminated in March 1987.

* figure presented in brackets indicates a negative value.

Description of Basic Products	Measure Type(s)	Other Product-specific Budgetary Outlays (NZ\$million)	Other Product-specific Support (Include calculation details) (NZ\$million)	Associated Fees/Levies	Total Other Product-specific Support (NZ\$million)	Market Price Support (Supporting Table 6) (NZ\$million)	Non-exempt Direct Payments (Supporting Table 7) (NZ\$million)	Total AMS (NZ\$million)	Data Sources	Comments
1	2	3	4	5	6 (3+4+5)	7	8	9 (6+7+8)	10	11
Apples March Years 1986/87 1987/88 1988/89 1986-88av	Interest concession - Reserve Bank.	Not Applicable	6.80 4.80 1.40 4.33	Not Applicable	6.80 4.80 1.40 4.33	Not Applicable	Not Applicable	6.80 4.80 1.40 4.33	New Zealand Treasury Estimates.	The New Zealand Apple and Pear Marketing Board (NZAPMB) access to Reserve Bank seasonal credit was terminated in September 1985. The debt level in 1985 was turned into a \$50 million 10-year term loan with capital repayments to be made in equal instalments from the end of the third year. Interest rates on the loan increased progressively and reached full market rates in September 1989.
Wheat March Years 1986/87 1987/88 1988/89 1986-88av	Compensatory payment - direct payment per unit of output.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	0.00 9.25 0.03 3.09	0.00 9.25 0.03 3.09		
Grapes March Years 1986/87 1987/88 1988/89 1986-88av	Vine pull programme - payment per unit of planted land	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	2.30 0.00 0.00 0.77	2.30 0.00 0.00 0.77		

Description of Basic Products	Measure Type(s)	Other Product-specific Budgetary Outlays (NZ\$million)	Other Product-specific Support (Include calculation details) (NZ\$million)	Associated Fees/Levies	Total Other Product-specific Support (NZ\$million)	Market Price Support (Supporting Table 6) (NZ\$million)	Non-exempt Direct Payments (Supporting Table 7) (NZ\$million)	Total AMS (NZ\$million)	Data Sources	Comments
1	2	3	4	5	6 (3+4-5)	7	8	9 (6+7+8)	10	11
Milk	Interest concessions - Reserve Bank.		*							In 1954 a NZ Dairy Board Scheme was established. The scheme was financed through the Reserve Bank at a concessional interest rate of 1%. In 1986/87 the programme was in credit and therefore negative support was incurred. The programme was terminated in 1987.
March Years 1986/87 1987/88 1988/89			(1.52)* 0.00 0.00		(1.52)* 0.00 0.00				Reserve Bank Annual Report (see Background Notes)	
1986-88av			(0.51)*		(0.51)*				Department of Statistics, New Zealand Dairy Board (see Background Notes)	
March Years 1986/87 1987/88 1988/89	Administered price - town milk ⁽¹⁾		23.41 7.55 0.00		23.41 7.55 0.00					
1986-88av			10.32		10.32					
March Years 1986/87 1987/88 1988/89	Milk Total.		21.89 7.55 0.00		21.89 7.55 0.00			21.89 7.55 0.00		The production of fresh milk for domestic consumption (town milk) was organised on a quota system. The town milk price was linked to the manufacturing milk price through a standard formula and included a premium to compensate producers for higher costs associated with production. Part of the premium price included a consumer transfer resulting from higher consumer prices. This scheme was terminated in September 1987.
1986-88av			9.81		9.81			9.81		

* figure presented in brackets indicates a negative value.

(1) This policy measure has been notified as "other product-specific support" because of the fact that the programme has been terminated and domestic milk prices are now heavily influenced by international market prices for milk products. Had the measure been notified as an administered price programme unjustified compliance problems may have arisen.

Description of Basic Products	Measure Type(s)	Other Product-specific Budgetary Outlays (NZ\$million)	Other Product-specific Support (Include calculation details) (NZ\$million)	Associated Fees/Levies	Total Other Product-specific Support (NZ\$million)	Market Price Support (Supporting Table 6) (NZ\$million)	Non-exempt Direct Payments (Supporting Table 7) (NZ\$million)	Total AMS (NZ\$million)	Data Sources	Comments
1	2	3	4	5	6 (3+4+5)	7	8	9 (6+7+8)	10	11
Sheepmeat (cont'd)	Government grant to clear accumulated stabilisation account deficit.	Not Applicable	924.00 0.00 0.00 308.00	Not Applicable	924.00 0.00 0.00 308.00	Not Applicable	Not Applicable			2 Government terminated the scheme in March 1987 it wrote off \$1,029 million of outstanding debt. Of this total debt, \$5 million was for beef and the remainder for sheepmeat. This was partly offset by the transfer of \$100 million from the Meat Industry Reserve Account assets to the Government. It is assumed that this transfer was to the credit of sheepmeat only.
March Years 1986/87 1987/88 1988/89 1986-88av	Sheepmeat Total.		1,071.66 0.00 0.00 357.22		1,071.66 0.00 0.00 357.22			1,071.66 0.00 0.00 357.22		
Beef	Interest concessions - Reserve Bank.	Not Applicable	0.70 0.00 0.00 0.23	Not Applicable	0.70 0.00 0.00 0.23	Not Applicable	Not Applicable		Reserve Bank Annual Report (see Background Notes)	See comments above regarding sheepmeat. This data represents the share of the overall funding explicitly allocated in favour of beef and veal.
March Years 1986/87 1987/88 1988/89 1986-88av	Government grant to clear accumulated stabilisation account deficit.		5.00 0.00 0.00 1.66		5.00 0.00 0.00 1.66					
March Years 1986/87 1987/88 1988/89 1986-88av	Beef Total.		5.70 0.00 0.00 1.90		5.70 0.00 0.00 1.90			5.70 0.00 0.00 1.90		

Background Notes to Supporting Table 8

Product Specific AMS	(NZ\$million)			
Commodity	1986/87	1987/88	1988/89	1986-88 average
Wool				
AMS				(0.03)*
Value of Production	1,226	1,385	1,508	1,373
AMS/Value of Production				0.00%
5% of Value of Production				68.7
Sheepmeat				
AMS				357.55
Value of Production	646	690	610	649
AMS/Value of Production				55.04%
5% of Value of Production				32.5
Beef				
AMS				1.90
Value of Production	974	951	1,203	1,043
AMS/Value of Production				0.18%
5% of Value of Production				52.2
Milk				
AMS				9.81
Value of Production	1,212	1,431	1,902	1,515
AMS/Value of Production				0.65%
5% of Value of Production				75.8
Apples				
AMS				4.33
Value of Production	131	139	134	135
AMS/Value of Production				3.21%
5% of Value of Production				6.8
Wheat				
AMS				3.09
Value of Production	87	48	45	60
AMS/Value of Production				5.15%
5% of Value of Production				3.0
Grapes				
AMS				0.77
Value of Production	24	25	33	27
AMS/Value of Production				2.85%
5% of Value of Production				1.2
* figure presented in brackets indicates a negative value.				

Background Notes to Supporting Table 8**Reserve Bank Interest Concessions**

Year Ended March 1986/87	Average Account Balance (NZ\$000)	Interest Paid (Interest Received) (NZ\$000)	Monthly Average Market Interest Rate (%)	Interest Concession (NZ\$000)
Meat Industry Stabilisation Account				
- Beef	(4,046)	40	18.4	704
- Sheepmeat	(848,619)	8,486	18.4	147,660
Wool Stabilisation Account	15,379	(2,871)	19.2	(82)
Dairy Stabilisation Account	29,300	(4,102)	19.2	(1,524)

The market interest rate of 18.4% is an estimate of the average market overdraft for large borrowers. It is found by subtracting two percentage points from the average market overdraft rate charged by trading banks. The 19.2% is the credit rate for large deposits on three month terms with the trading banks. As a result of the financial uncertainties existing in New Zealand at that time, three month term deposit interest rates were considerably higher than other retail term deposit rates.

Reserve Bank interest concessions are calculated as commodity specific non-exempt direct payments rather than as export subsidies. This is because payments were not contingent upon export even though it was known that the bulk of production would be exported. All these programmes have been terminated.

Negative support accrued to both wool and dairy in 1986/87 due to the fact that their stabilisation accounts were in credit and therefore attracted less than market rates.

Note that taxation concessions and Rural Bank interest concessions and loan discounting which in the past have been allocated to specific commodities for our Effective Rate of Assistance (ERA) estimates, have in this case been notified as generic assistance, as this assistance was in fact not commodity specific.

Administered Price - Town Milk

This measure was notified as an "administered support price", because it involved the determination of administered consumer or producer prices. It was based on the relationship between the price received by town milk producers and that received by producers supplying manufacturing companies. Town milk producer prices were linked to the factory milk prices by an established formula in the ratio of 0.06 cents per litre of wholemilk for every one cent in the price paid for milkfat in the milk manufacturing sector. Following the convention used in our OECD notifications, it is calculated that only half of the price difference would have been required to ensure a supply of town milk, the other half thereby constituting a subsidy from consumers..

Calculation of the subsidy is as below.

Year ended March	Unassisted Manufactured Milk Price (\$/kg milkfat)	Town Milk Price (\$/L)	Milkfat Ratio (wt/vol)	Town Milk Production (mil litres)	Town Milk Premium (NZ\$million)
	a	b	c	d	$(b - (ca)) \times d \times 0.5$
1986/87	3.310	0.2579	0.0475	465.00	23.41
1987/88	3.537	0.2340	0.0478	232.50 ⁽¹⁾	7.55

Sources: Column a - Department of Statistics and MAF workings.
Column b - Department of Statistics.
Column c - New Zealand Dairy Board Annual Accounts.
Column d - New Zealand Dairy Board Annual Accounts.

Notes: 1 Since the scheme was terminated in September 1987, the value of the premium is calculated only on the volume of milk produced in the six months April-September 1987.

Aggregate Measurements of Support: Total Base AMS
(NZ\$million)

[illegible]

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

DOMESTIC SUPPORT: NEW ZEALAND

Equivalent Commitments

This table is not applicable to New Zealand's notification.

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA
DOMESTIC SUPPORT: NEW ZEALAND

Non-Product-Specific AMS

Measure Type(s)	Non-product-specific Budgetary Outlays (NZ\$million)	Other Non-product-specific Support (include calculation details) (NZ\$million)	Associated Fees/Levies (NZ\$million)	Total Non-product-specific Support (NZ\$million)	Data Sources	Comments
1	2	3	4	5 (2+3-4)	6	7
Government Direct Payment - New Zealand Meat Producers Board						
March Years						
1986/87	0.00			0.00		
1987/88	7.00			7.00		
1988/89	7.00			7.00		
1986-88av	4.67			4.67		
Input Subsidy - Fertiliser Price Subsidy						
March Years						
1986/87	6.26			6.26		
1987/88	0.00			0.00		
1988/89	0.00			0.00		
1986-88av	2.09			2.09		
Input Subsidy - Rural Water Supply						
March Years						
1986/87	4.76			4.76		
1987/88	2.30			2.30		
1988/89	0.00			0.00		
1986-88av	2.35			2.35		
Capital Write-off - Livestock Incentive Scheme						
March Years						
1986/87	Not Applicable	4.38		4.38		
1987/88		16.14		16.14		
1988/89		0.20		0.20		
1986-88av		6.91		6.91		

Measure Type(s)	Non-product-specific Budgetary Outlays (NZ\$million)	Other Non-product-specific Support (Include calculation details) (NZ\$million)	Associated Fees/Levies (NZ\$million)	Total Non-product- specific Support (NZ\$million)	Data Sources	Comments
1	2	3	4	5 (2+3-4)	6	7
Capital Write-off - Livestock Incentive Scheme (cont'd)						calculation of Interest Concessions - Rural Bank) that were written off if the increase was sustained for two years (capital write-off calculated here). The second form was a deduction from taxable income (included in the calculation of tax concessions). The scheme ceased in 1982 although outstanding commitments remained in force and subsidies continued to be paid in the reference period.
Capital Write Off - Land Development Encouragement Loans March Years 1986/87 1987/88 1988/89 1986-88av	Not Applicable	1.22 11.76 16.53 9.84	Not Applicable	1.22 11.76 16.53 9.84	MAF Notes to the Estimates of Expenditure and Rural Bank unpublished information.	The Land Development Encouragement Loan Scheme (LDEL) was introduced in the 1978 Budget as an incentive to the improvement of reverted or under- utilised land. The scheme involved interest free loans (included under interest concession calculation) and the write-off of the loan principal (calculated here).
Interest Concessions - Rural Bank March Years 1986/87 1987/88 1988/89 1986-88av	Not Applicable	235.21 164.60 33.05 144.29	Not Applicable	235.21 164.60 33.05 144.29	Rural Bank Annual Reports (see Background Notes).	The Rural Bank and Finance Corporation was the main source of concessional finance, with the majority of lending being for farm settlement and development programmes. After November 1984, the Rural Bank was required to rely increasingly on funds raised from private sector sources, with reduced access to Government funds. This access to public funds disappeared entirely in 1986/87. At the same time, interest rates on existing concessional loans were annually increased by one percentage point per annum until they matched the market rate. The effect has been to progressively phase out interest concessions available to farmers.
Interest Concessions - Maori Affairs March Years 1986/87 1987/88 1988/89 1986-88av	Not Applicable	11.14 8.06 3.03 7.41	Not Applicable	11.14 8.06 3.03 7.41	Maori Affairs Annual Reports (see Background Notes in Annex).	Concessional lending was also available through the Department of Maori Affairs to those of Maori descent. These loans have also been brought progressively into line with market rates.

Measure Type(s)	Non-product-specific Budgetary Outlays (NZ\$million)	Other Non-product-specific Support (include calculation details) (NZ\$million)	Associated Fees/Levies (NZ\$million)	Total Non-product- specific Support (NZ\$million)	Data Sources	Comments
1	2	3	4	5 (2+3-4)	6	7
Interest Concessions - Lands and Survey March Years 1986/87 1987/88 1988/89 1986-88av	Not Applicable	26.16 12.20 7.24 15.20	Not Applicable	26.16 12.20 7.24 15.20	Lands and Survey Annual Report (see Background Notes).	The Department of Lands and Survey also made available concessional loans to settlers of land owned and cleared by the Department. These were brought progressively into line with market rates.
Loan Discounting Scheme - Rural Bank March Years 1986/87 1987/88 1988/89 1986-88av	Not Applicable	83.00 148.00 0.00 77.00	Not Applicable	83.00 148.00 0.00 77.00	Rural Bank Annual Reports and unpublished information.	The Discounting Scheme introduced in 1986 for Rural Bank customers allowed for a significant proportion of farm debt to be written off. Under the scheme farmers applied to have their concessional interest rates increased to market rates in a single step, but at the same time have their loan principal reduced so that annual loan repayments remained at the same level. Thus their debt burden was reduced while not altering their monthly repayments. Applications closed on 30 June 1987. Of the 8,099 applications lodged approximately 4,700 were approved.
Loan Discounting Scheme - Maori Affairs March Years 1986/87 1987/88 1988/89 1986-88av	Not Applicable	25.00 2.90 1.00 9.63	Not Applicable	25.00 2.90 1.00 9.63	Maori Affairs Annual Reports	Farmers with loans taken out through the Department of Maori Affairs were also eligible for a similar discount scheme.
Income Tax Concessions March Years 1986/87 1987/88 1988/89 1986-88av	Not Applicable	33.77 25.18 20.80 26.58	Not Applicable	33.77 25.18 20.80 26.58	MAF Estimates based upon findings of the Task Force on Tax Reform.	The figures provided in this category are MAF estimates of tax concession provided to agriculture. The main types of concessions applying during this period were: • deductions for capital development expenditure; • accelerated depreciation allowances; • Income Equalisation Scheme.

Measure Type(s)	Non-product-specific Budgetary Outlays (NZ\$million)	Other Non-product-specific Support (include calculation details) (NZ\$million)	Associated Fees/Levies (NZ\$million)	Total Non-product- specific Support (NZ\$million)	Data Sources	Comments
1	2	3	4	5 (2+3+4)	6	7
Income Tax Concessions (contd)						Capital development expenditure in agriculture, unlike other industries, was fully tax deductible up to, and including the 1987/88 income year. From 1988/89 onwards this deductibility has been phased down to nil over the four year period ending 1991/92. Special first year depreciation allowances were available to encourage modernisation of plant, equipment and some buildings. This measure was withdrawn on 1 April 1988. The Income Equalisation Scheme provides farmers with a method of averaging assessable income, and therefore tax, over a 5 year period. Deposits of income are made with the Inland Revenue Department, thereby reducing taxable income in that year. Deposits may be withdrawn over the following 4 years and added to taxable income. Interest is paid at 3%. The figures were calculated by multiplying the estimate of pastoral tax concessions by pastoral agriculture share of total agricultural production (less sale of livestock and livestock change). There are substantial methodological difficulties in quantifying the value of tax concessions given to agriculture and this estimate may therefore involve some margin of error.
TOTAL 1986-88 av				305.97		

Background Notes to Supporting Table 10

Generic AMS	March Years (NZ\$million)			
	1986/87	1987/88	1988/89	1986-88 average
AMS				305.97
Total Value of Agricultural Production	6,822	7,365	8,162	7,450
AMS/Total Value of Agricultural Production				4.11%
5% of Total Value of Agriculture Production				372.5

Background Notes to Supporting Table 10

Calculation of Interest Concessions				
	Average Concessional Mortgage Balance (NZ\$000)	Concessional Interest Paid (NZ\$000)	Monthly Average Market Interest Rate (%)	Interest Concession (NZ\$000)
(a) Rural Bank				
March Years				
1986/87	2,559,702	303,092	21.03	235,213
1987/88	2,315,048	312,071	20.59	164,597
1988/89	1,692,121	246,485	16.52	33,053
(b) Maori Affairs				
March Years				
1986/87	107,090	11,381	21.03	11,140
1987/88	105,789	13,724	20.59	8,058
1988/89	110,339	15,202	16.52	3,026
(c) Lands and Survey				
March Years				
1986/87	224,221	20,999	21.03	26,155
1987/88	201,778	29,346	20.59	12,200
1988/89	177,394	22,063	16.52	7,242

AGRICULTURAL NEGOTIATIONS: SUPPORTING DATA

EXPORT COMPETITION: NEW ZEALAND

Export Subsidies: Outlay and Quantity Reduction Commitments

Description of Products	Direct Export Subsidies (NZ\$million)	* Sales of Stock	Producer Financed Subsidies	Cost Reduction Measures (NZ\$million)	Internal Transport Subsidies	Total Product Specific Export Subsidies (NZ\$million)	Quantity of Subsidised Exports	Data Sources	Comments Including Measure Description
1	2	3	4	5	6	7	8	9	10
Agriculture Production - Rural Export Suspensory Loans		Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Available	Not Available	Estimates of the Expenditure of the Government of New Zealand.	No commodity specific export subsidies were provided in New Zealand. There is also no information to proportion the assistance provided by these schemes between the various product groups required. Further, the various exporters' tax credit schemes provided assistance to both agriculture and manufacturing. All export incentive schemes were terminated during the base period.
1986/87	0.79								
1987/88	2.65								
1988/89	0.54								
1989/90	0.70								
1990/91	0.45								
1986-90av ⁽¹⁾	1.03								
All Products - Exporters' Tax Credit Schemes	Not Applicable	Not Applicable	Not Applicable		Not Applicable	Not Available	Not Available	Annual Reports of the Inland Revenue Department.	(a) Rural Export Suspensory Loans - the scheme was introduced in 1974 to provide suspensory loans for agricultural and horticultural producers outside the area of traditional pastoral industries. Under the scheme, loans were made available for 40% of the capital cost of plant and machinery and certain other development expenditures (excluding land) for projects designed to achieve high export performance. The loans were written off in full if 40% of the output was exported within the first five years or longer period if agreed. The scheme was terminated in March 1985, with outstanding loans to run their full term.
1986/87	365.59								
1987/88	313.70								
1988/89	179.04								
1989/90	134.00								
1990/91	138.51								
1986-90av ⁽¹⁾	226.17								

(1) The 1986-90 average is based upon the average of the three March years 1986/87, 1988/89 and the two June years 1989/90 and 1990/91. In 1989, following reforms to the public sector, the Government changed from a March to a June year accounting period for the 1989/90 year onwards.

Description of Products	Direct Export Subsidies (NZ\$million)	Sales of Stock	Producers Financed Subsidies	Cost Reduction Measures (NZ\$million)	Internal Transport Subsidies	Total Product Specific Export Subsidies (NZ\$million)	Quantity of Subsidised Exports	Data Sources	Comments Including Measure Description
1	2	3	4	5	6	7	8	9	10
									The main exporters' tax credit schemes were: (b) Export Market Development Taxation Incentive (EMDTI) - this scheme was available to all exporters, not simply agricultural exporters, and allowed a tax deduction based on export market development expenditure incurred in seeking markets, the retention of markets, obtaining market information, market research, creating or increasing demand for the exports of goods and services, and attracting tourists to New Zealand. The tax deduction was phased down between 1987 and 1990 and was terminated from the end of the 1989/90 year. (c) Export Performance Taxation Scheme (EPTI) - provided a tax credit to exporters of qualifying goods. The rate of credit varied according to the level of value added in production incorporated in the export item. The credit was higher for high value added products and negligible or nil for low value added products such as agricultural commodity exports. The scheme was terminated on 31 March 1987.

