

# ANNEX A

## Table A.34. Main policy assumptions for dairy markets

Calendar year

		Average 2010-12est	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>CANADA</b>												
Milk target price <sup>1</sup>	CADc/litre	73.9	76.2	77.6	78.5	79.7	81.1	82.4	83.8	85.1	86.1	87.2
Butter support price	CAD/t	7 194.6	7 398.8	7 509.7	7 622.4	7 736.7	7 852.8	7 970.6	8 090.1	8 211.5	8 334.7	8 459.7
SMP support price	CAD/t	6 311.3	6 461.6	6 442.1	6 414.5	6 607.5	6 851.3	6 984.4	7 139.6	7 256.5	7 363.8	7 487.4
Cheese tariff-quota	kt pw	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4
In-quota tariff	%	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Out-of-quota tariff	%	245.6	245.6	245.6	245.6	245.6	245.6	245.6	245.6	245.6	245.6	245.6
Subsidised export limits <sup>2</sup>												
Cheese	kt pw	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
SMP	kt pw	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0
<b>EUROPEAN UNION<sup>3</sup></b>												
Milk quota	kt pw	147 912	150 446	150 446	0	0	0	0	0	0	0	0
Butter reference price <sup>4</sup>	EUR/t	2 463.9	2 463.9	2 463.9	2 463.9	2 463.9	2 463.9	2 463.9	2 463.9	2 463.9	2 463.9	2 463.9
SMP intervention price	EUR/t	1 698.0	1 698.0	1 698.0	1 698.0	1 698.0	1 698.0	1 698.0	1 698.0	1 698.0	1 698.0	1 698.0
Butter tariff-quotas	kt pw	86.4	86.4	86.4	86.4	86.4	86.4	86.4	86.4	86.4	86.4	86.4
Cheese tariff-quotas	kt pw	107.0	107.0	107.0	107.0	107.0	107.0	107.0	107.0	107.0	107.0	107.0
SMP tariff-quota	kt pw	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5
Subsidised export limits <sup>2</sup>												
Butter	kt pw	411.6	411.6	411.6	411.6	411.6	411.6	411.6	411.6	411.6	411.6	411.6
Cheese	kt pw	331.7	331.7	331.7	331.7	331.7	331.7	331.7	331.7	331.7	331.7	331.7
SMP	kt pw	323.4	323.4	323.4	323.4	323.4	323.4	323.4	323.4	323.4	323.4	323.4
<b>JAPAN</b>												
Direct payments	JPY/kg	12.0	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2
Cheese tariff <sup>5</sup>	%	31.2	31.2	31.2	31.2	31.2	31.2	31.2	31.2	31.2	31.2	31.2
Tariff-quotas												
Butter	kt pw	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
In-quota tariff	%	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
Out-of-quota tariff	%	732.6	732.6	732.6	732.6	732.6	732.6	732.6	732.6	732.6	732.6	732.6
SMP	kt pw	115.7	115.7	115.7	115.7	115.7	115.7	115.7	115.7	115.7	115.7	115.7
In-quota tariff	%	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8
Out-of-quota tariff	%	210.4	210.4	210.4	210.4	210.4	210.4	210.4	210.4	210.4	210.4	210.4
WMP	kt pw	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In-quota tariff	%	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Out-of-quota tariff	%	316.2	316.2	316.2	316.2	316.2	316.2	316.2	316.2	316.2	316.2	316.2
<b>KOREA</b>												
Tariff-quotas												
Butter	kt pw	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
In-quota tariff	%	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Out-of-quota tariff	%	89.0	89.0	89.0	89.0	89.0	89.0	89.0	89.0	89.0	89.0	89.0
SMP	kt pw	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
In-quota tariff	%	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Out-of-quota tariff	%	176.0	176.0	176.0	176.0	176.0	176.0	176.0	176.0	176.0	176.0	176.0
WMP	kt pw	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
In-quota tariff	%	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Out-of-quota tariff	%	176.0	176.0	176.0	176.0	176.0	176.0	176.0	176.0	176.0	176.0	176.0

Table A.34. Main policy assumptions for dairy markets (cont.)

Calendar year

		Average 2010-12est	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>MEXICO</b>												
Butter tariff	%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff-quotas												
Cheese	kt pw	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4
In-quota tariff	%	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Out-of-quota tariff	%	125.1	100.0	75.0	60.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0
SMP	kt pw	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
In-quota tariff	%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Out-of-quota tariff	%	104.4	63.0	60.0	60.0	50.0	45.0	45.0	45.0	45.0	45.0	45.0
Liconsa social program	MXN mn	1 176.8	1 180.0	1 180.0	1 180.0	1 180.0	1 180.0	1 180.0	1 180.0	1 180.0	1 180.0	1 180.0
<b>RUSSIAN FEDERATION</b>												
Butter tariff	%	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Cheese tariff	%	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
<b>UNITED STATES</b>												
Milk support price <sup>1</sup>	USDc/litre	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
Target price <sup>6</sup>	USDc/litre	37.3	37.3	37.3	37.3	37.3	37.3	37.3	37.3	37.3	37.3	37.3
Butter support price	USD/t	2 315.0	2 315.0	2 315.0	2 315.0	2 315.0	2 315.0	2 315.0	2 315.0	2 315.0	2 315.0	2 315.0
SMP support price	USD/t	1 763.7	1 763.7	1 763.7	1 763.7	1 763.7	1 763.7	1 763.7	1 763.7	1 763.7	1 763.7	1 763.7
Butter tariff-quota	kt pw	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1
In-quota tariff	%	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1
Out-of-quota tariff	%	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0
Cheese tariff-quota	kt pw	135.0	135.0	135.0	135.0	135.0	135.0	135.0	135.0	135.0	135.0	135.0
In-quota tariff	%	12.3	12.3	12.3	12.3	12.3	12.3	12.3	12.3	12.3	12.3	12.3
Out-of-quota tariff	%	87.0	87.0	87.0	87.0	87.0	87.0	87.0	87.0	87.0	87.0	87.0
Subsidised export limits <sup>2</sup>												
Butter	kt pw	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
SMP	kt pw	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0
<b>INDIA</b>												
Milk tariff	%	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Butter tariff	%	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Cheese tariff	%	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Whole milk powder tariff	%	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
<b>SOUTH AFRICA</b>												
Milk powder tariff-quota	kt pw	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
In-quota tariff	%	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Out-of-quota tariff	%	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8

Note: The source for tariffs and Tariff Rate Quotas (except Russia) is AMAD (Agricultural market access database). The tariff and TRQ data are based on Most Favoured Nation rates scheduled with the WTO and exclude those under preferential or regional agreements, which may be substantially different. Tariffs are simple averages of several product lines. Specific rates are converted to ad valorem rates using world prices in the Outlook. Import quotas are based on global commitments scheduled in the WTO rather than those allocated to preferential partners under regional or other agreements.

Average 2010-12est: Data for 2012 are estimated.

1. For manufacturing milk.
2. It is assumed that no export subsidies will be granted for dairy products over the projection period.
3. EU farmers also benefit from the Single Farm Payment (SFP) Scheme, which provides flat-rate payments independent from current production decisions and market developments. For the new member states, payments are phased in with the assumption of maximum top-ups from national budgets up to 2013 through the Single Area Payment Scheme (SAPS). Due to modulation, an increasing share of the total SFP will go to rural development spending rather than directly to farmers.
4. Intervention can take place when the butter price is below 90% of the reference price.
5. Excludes processed cheese.
6. The counter-cyclical payment for milk is determined as a percentage difference between the target price and the Boston class I price. The difference is set at 34% in 2007 and 2008, at 45% in 2009-2012 and 34% thereafter. The target price is adjusted by 45% of the percentage difference between the National Average Dairy Feed Rations Cost and the target cost of feed rations of 16.20USD/100kg between 2009 and 2012 and 20.94USD/100kg thereafter.

Source: OECD and FAO Secretariats.