

Productivity Commission, Australia
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Dear Mr. Gavan Dwyer

Inquiry into market support arrangements for Danish pig producers

Thank you very much for consulting us on the above mentioned issue.

First of all we shall confirm that we fully agree with your general observations on market support and price relations. The EU pigmeat sector has always been one of the most liberal animal sectors within the CAP with very few market support measures applied and during the latest years these measures have been very seldom used. Supply and demand have been determining the price level.

Regarding tariff quotas it is correct that the EU-GATT-quota on about 70.000 tonnes has always been substantially under-filed (mostly under 10%).

Regarding export subsidies we shall confirm that there have – except for a short period (6 weeks) in the beginning of 2004 – been no export subsidies on fresh/frozen pork since July 2000. In this connection it should also be stressed that our main export product item for Australia – i.e. middles – have never been eligible for export subsidies.

Once again thank you for contacting us and should you need any further explanations please do not hesitate to contact us.

Yours faithfully

Knud Buhl