

COMMISSION OF THE EUROPEAN COMMUNITIES

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SECOND REPORT ON THE OPERATION OF THE SYSTEM OF PREMIUMS FOR THE NON-MARKETING OF MILK AND MILK PRODUCTS AND FOR THE CONVERSION OF DAIRY HERDS

COM(79) 106 final

Second report on the operation of the system of premiums
for the non-marketing of milk and milk products and for the
conversion of dairy herds

Article 13(1) of Regulation (EEC) No 1078/77 stipulates that the Commission is to submit to the Council and the European Parliament a report on the operation of the premium system based upon the information supplied by the Member States. At the request of all Member States the report covers the period up to, and including, December.

The Commission submitted a first report on the operation of the premium system for the period from 1 July to 31 December 1977 in its document COM(78)80 final of 1 March 1978.

Results

Following the first report on the application of the premium system, the Commission made proposals for removing the main difficulties arising from its operation. The Council adopted the Commission's proposal in Regulation (EEC) No 1041/78 and introduced a series of improvements.

At the same time it was decided to incorporate this new measure retrospectively if there were outstanding amounts still payable; hence 12 000 applications had to be re-examined. Therefore a separate presentation of the results for the first and second period is impossible. The presented report thus covers the full period of application i.e. from 1 July 1977 to 31 December 1978. The tables give only information on the applications approved by the Member States in this period. It should be pointed out that, at present, the deadline for applications is 31 March 1979 and that this second interim report does not provide a basis for a final assessment of how the measures are considered by milk producers. There are considerable regional differences concerning the participation (see annex II). Different reactions of milk producers to the measure so far are given in Section III of this report.

Up to the end of December 1978 a total of 55,000 applications have been approved.

Results show that 2,82 % of milk producers gave up this form of activity during the period July 1977 to December 1978, removing about 638,500 dairy cows or 2.55% of the total herd from production. According to the interim results the percentage of holdings giving up milk production was highest in the Federal Republic of Germany and Luxembourg with 7 % and lowest in Ireland with 0,32 %.

The quantity of milk marketed by applicants in the reference period is about 2,5% of the quantity delivered to dairies in 1977. This percentage is highest in Germany with 5,2% and lowest in Ireland with 0,7%

Table 1: Number of applicants and cows kept together with the relevant percentage of the total herd accounted for by applications approved in the period from 1 July 1977 to 31 December 1978.

| Member State | Applicants | | | Number of cows kept | | |
|----------------|------------|-------|-----------------------------------|---------------------|-------|-------------------------|
| | total | | % of milk producers ¹⁾ | total | | % of cows ¹⁾ |
| | number | % | | x 1 000 | % | |
| Belgium | 1,438 | 2,6 | 2,18 | 18,5 | 2,9 | -1,88 |
| Denmark | 2,806 | 5,1 | 5,01 | 43,6 | 6,8 | 3,97 |
| Germany | 36,083 | 65,6 | 6,95 | 313,3 | 49,1 | 5,78 |
| France | 9,242 | 16,8 | 1,60 | 153,9 | 24,1 | 2,05 |
| Ireland | 379 | 0,7 | 0,32 | 8,7 | 1,3 | 0,59 |
| Luxembourg | 262 | 0,5 | 7,00 | 3,0 | 0,5 | 4,41 |
| Netherlands | 1,864 | 3,4 | 2,25 | 30,7 | 4,8 | 1,37 |
| United Kingdom | 2,909 | 5,3 | 4,04 | 66,8 | 10,5 | 2,01 |
| Community | 54,983 | 100,0 | 2,82 | 638,5 | 100,0 | 2,55 |

¹⁾ at December 1977

1. Non-marketing

Non-marketing continues to find much greater favour than conversion.

(a) Number of applicants

The expectations of French milk producers in the monetary sphere and the fact that the implementing Directive on the elimination of cattle diseases (78/52/EEC) was not adopted until December 1977, meant that farmers in France and Ireland were at first reluctant to apply. The first applications from Ireland were not approved until February 1978.

Table 2: Number of applicants and cows kept together with the average herd per successful applicant for the non-marketing premium in the period 1 July 1977 to 31 December 1978.

| Member State | Applicants | | Cows kept | | Cows per applicant |
|----------------|------------|-------|-----------|-------|--------------------|
| | number | % | 1 000 | % | |
| Belgium | 1,264 | 2,5 | 13,5 | 2,6 | 10,7 |
| Denmark | 2,757 | 5,5 | 42,5 | 8,3 | 15,4 |
| Germany | 34,843 | 69,5 | 284,3 | 55,4 | 8,2 |
| France | 6,927 | 13,8 | 95,3 | 18,5 | 13,8 |
| Ireland | 260 | 0,5 | 5,0 | 1,0 | 19,2 |
| Luxembourg | 255 | 0,5 | 2,8 | 0,6 | 11,0 |
| Netherlands | 1,781 | 3,6 | 28,6 | 5,6 | 16,1 |
| United Kingdom | 2,040 | 4,1 | 41,1 | 8,0 | 20,2 |
| Community | 50,127 | 100,0 | 513,1 | 100,0 | 10,2 |

¹ Italy was exempted from the scheme by Decision 77/433/EEC of 15 June 1977.

(b) Quantity of milk

If the application was approved before 22 May 1978, the basis for calculating the premium was the quantity of milk marketed by the applicant in 1976. After that date the basis for calculating the premium was the quantity of milk marketed by the producer in the 12 months preceding the month of application. Administratively this new system has proved much easier to operate.

When comparing the quantity of milk marketed in the reference period with the quantity used for calculating the premium, it should be remembered that until 21 May 1978 the premium was normally payable with respect to a maximum of 120 000 kg. This quantity could only be increased if the applicant was taking part in a programme for eradicating certain animal diseases. However, only very limited use was made of this facility.

Table 3: Quantity marketed in the reference period and the quantity eligible for premium in the case of applications for the non-marketing premium approved in the period 1 July 1977 to 31 December 1978

| Member State | Reference quantity of milk in tonnes | Quantity eligible for premium | | Average quantity per applicant (1) |
|----------------|--------------------------------------|-------------------------------|-------|------------------------------------|
| | | tonnes | % | kg |
| Belgium | . | 34,518 | 2,0 | 27,309 |
| Denmark | 197,313 | 175,517 | 9,9 | 63,662 |
| Germany | . | 977,261 | 55,0 | 28,047 |
| France | . | 299,868 | 16,9 | 43,290 |
| Ireland | 14,645 | 13,582 | 0,8 | 52,238 |
| Luxembourg | 10,044 | 9,075 | 0,5 | 35,588 |
| Netherlands | 131,280 | 117,549 | 6,6 | 66,001 |
| United Kingdom | 167,888 | 147,591 | 8,3 | 72,348 |
| Community | . | 1 774,961 | 100,0 | 35,409 |

1

Refers to the eligible quantity in the period.

2. Conversion

(a) Number of applicants

In order to be more flexible in the use to which they put their land a number of applicants opted for the non-marketing premium although they had already converted their herd to beef production as they did not want to be obliged to keep a minimum number of cows. This should be taken into account when assessing the two systems. The percentage of applications for the conversion premium averages barely 11,7% among the Member States, the highest being in France with about 25,1% and the lowest in Denmark with only 1,7%.

Table 4: Number of applicants and cows kept together with the average herd size per successful applicant for the conversion premium from the period 1 July 1977 to 31 December 1978.

| Member State | Applicants | | Cows kept | | Cows per applicant |
|----------------|------------|-------|-----------|-------|--------------------|
| | Number | % | 1 000 | % | |
| Belgium | 174 | 3,6 | 5,0 | 4,0 | 28,7 |
| Denmark | 49 | 1,0 | 1,1 | 0,9 | 23,9 |
| Germany | 1,240 | 25,5 | 29,0 | 23,1 | 23,4 |
| France | 2,315 | 47,7 | 58,7 | 46,8 | 25,4 |
| Ireland | 119 | 2,5 | 3,7 | 2,9 | 31,1 |
| Luxembourg | 7 | 0,1 | 0,2 | 0,1 | 28,6 |
| Netherlands | 83 | 1,7 | 2,1 | 1,7 | 25,3 |
| United Kingdom | 869 | 17,9 | 25,7 | 20,5 | 29,6 |
| Community | 4,856 | 100,0 | 125,5 | 100,0 | 25,8 |

The average herd per applicant for the conversion premium is substantially larger because Article 3 of the Council Regulation laid down that, in order to obtain the conversion premium, an applicant must either have marketed 50 000 kg of milk in the reference period or, if a smaller quantity was marketed, have on his holding on the day the application was approved at least 15 dairy cows, including in-calf heifers. It appeared advisable to retain this provision.

(b) Quantity of milk

The same basis of calculation as for the non-marketing premium applies to the conversion premium.

Table 5: Quantity of milk in the reference period and quantity eligible in the case of applications approved for the conversion premium in the period 1 July 1977 to 31 December 1978

| Member State | Quantity of milk in the reference year in tonnes. | Quantity eligible for premium | | Average quantity per applicant ⁽¹⁾ |
|----------------|---|-------------------------------|-------|---|
| | | Tonnes | % | kg |
| Belgium | . | 11,547 | 2,8 | 66,362 |
| Denmark | 5,217 | 4,447 | 1,1 | 90,755 |
| Germany | . | 106,961 | 25,6 | 86,258 |
| France | . | 177,215 | 42,5 | 76,550 |
| Ireland | 11,607 | 10,830 | 2,6 | 91,008 |
| Luxembourg | 830 | 718 | 0,2 | 102,571 |
| Netherlands | 10,877 | 8,524 | 2,0 | 102,698 |
| United Kingdom | 116,512 | 96,864 | 23,2 | 111,466 |
| Community | . | 417,106 | 100,0 | 85,895 |

¹ Related to the quantity concerned in the period.

As far as the average quantity per applicant is concerned one has to take into account that applications which have been introduced before 22 May 1978 were limited to 120 000 kg

3. Overall picture

According to the third joint structures survey held pursuant to Directive 73/132/EEC there were 1 949 200 farms in the Community keeping dairy cows at the end of 1977.

Table 6: Number of farmers keeping dairy cows and number of dairy cows in the Member States in 1973, 1975 and 1977.

| Member States | Number of farmers keeping dairy cows x 1000 | | | Number of dairy cows x 1000 | | |
|----------------|--|--------|--------|--------------------------------|--------|--------|
| | 1973 | 1975 | 1977 | 1973 | 1975 | 1977 |
| Belgium | 84,4 | 75,3 | 66,0 | 1,000 | 994 | 983 |
| Denmark | 72,2 | 63,4 | 55,9 | 1,086 | 1,094 | 1,099 |
| Germany | 630,1 | 572,1 | 519,4 | 5,486 | 5,395 | 5,417 |
| France | 697,0 | 628,0 | 576,0 | 7,683 | 7,549 | 7,510 |
| Ireland | 143,5 | 132,2 | 120,0 | 1,390 | 1,380 | 1,484 |
| Italy | 607,1 | 536,3 | 453,2 | 3,051 | 2,882 | 2,945 |
| Luxembourg | 4,7 | 4,3 | 3,7 | 68 | 71 | 68 |
| Netherlands | 99,0 | 94,0 | 83,0 | 2,259 | 2,259 | 2,245 |
| United Kingdom | 92,8 | 80,0 | 72,0 | 3,515 | 3,250 | 3,327 |
| Community | 2430,8 | 2185,6 | 1949,2 | 25,538 | 24,874 | 25,078 |

(a) All applicants

Comparison with the third structures survey at the end of 1977 shows that 2,82% of milk producers gave up this form of activity during the period July 1977 to December 1978, removing about 638,500 dairy cows or 2,55% of the total herd from production.

(b) Total quantity of milk

The quantity of milk marketed by applicants in the reference period is about 2,5% of the quantity delivered to dairies in 1977. This percentage is highest in Germany with 5,2% and lowest in Ireland with 0,6%.

Table 7: Quantity of milk marketed in the reference period and percentage of milk deliveries and quantity eligible in the case of all applications approved from 1 July 1977 to 31 December 1978.

| Member State | Quantity of milk in the reference period | | Quantity eligible for premium | |
|----------------|--|-------------------|-------------------------------|-------|
| | '000 tonnes | ¹ % | '000 tonnes | % |
| Belgium | . | 1,6 ²⁾ | 46,1 | 2,1 |
| Denmark | 202,5 | 4,1 | 180,0 | 8,2 |
| Germany | . | 5,0 ²⁾ | 1084,2 | 49,4 |
| France | . | 2,1 ²⁾ | 477,1 | 21,8 |
| Ireland | 26,3 | 0,7 | 24,4 | 1,1 |
| Luxembourg | 10,9 | 4,6 | 9,8 | 0,4 |
| Netherlands | 142,2 | 1,4 | 126,1 | 5,8 |
| United Kingdom | 284,4 | 1,9 | 244,4 | 11,2 |
| Community | . | . | 2192,1 | 100,0 |

¹Percentage of national deliveries to dairies in 1977

²Percentage of eligible quantity

(c) Structure of applicants

Herds of between 3 and 29 cows account for 84,2% of all applications. The structure of applications in the individual Member States is shown in Tables 3 to 10 in Annex I.

Table 8: Total number of applicants and cows kept by herd size together with relevant percentages of the total herd belonging in the various herd size categories, for applications approved in the Community (excluding France) in the period July 1977 to December 1978.

| Cows per farmer | Total number of applicants (3) | | Cows kept Total (3) | | Applicants ¹ | Cows ² |
|-----------------|--------------------------------|-------|---------------------|-------|-------------------------|-------------------|
| | Number | % | '000 | % | % | |
| 1 - 2 | 5,189 | 11,6 | 9,0 | 1,9 | 1,5 | 1,8 |
| 3 - 4 | 7,389 | 16,5 | 25,8 | 5,4 | 3,6 | 3,6 |
| 5 - 9 | 13,655 | 30,5 | 93,0 | 19,5 | 3,5 | 4,8 |
| 10 - 14 | 7,842 | 17,5 | 91,8 | 19,3 | 4,6 | 3,1 |
| 15 - 19 | 4,584 | 10,3 | 76,5 | 16,0 | 4,4 | 4,4 |
| 20 - 29 | 4,119 | 9,2 | 97,7 | 20,5 | 3,4 | 3,5 |
| 30 - 39 | 1,232 | 2,8 | 40,9 | 8,6 | 2,2 | 2,1 |
| 40 - 49 | 376 | 0,8 | 16,4 | 3,4 | 1,2 | 1,2 |
| ≥ 50 | 355 | 0,8 | 25,6 | 5,4 | 0,7 | 0,6 |
| Total | 44,741 | 100,0 | 476,7 | 100,0 | 3,3 | 2,7 |

1 Holdings with dairy cows in the Community

2 Total dairy cows in the Community

3 Germany to November 1978

(g) Conditions for premiums

The conditions for granting the premium are shown in Annex I to the first report and there have been no significant changes.

(h) Amount of premium

The Council fixed the amount of premium with effect from 22 May 1978. It is no longer linked to the target price for milk.

Premium u.a./100 kg

| Quantity of milk | Non-marketing | | Conversion | |
|----------------------|---------------|--------------|---------------|--------------|
| | up to 21.5.78 | from 22.5.78 | up to 21.5.78 | from 22.5.78 |
| less than 30 000 kg | 16,483 | 20, | } 15,615 | } 17,50 |
| 30 001 to 50 000 kg | 15,615 | 18, | | |
| 50 001 to 120 000 kg | 13,013 | 13,50 | | |
| more than 120 000 kg | 0 | 11,0 | } 0 | } 11,0 |

(e) Monthly approval of applications

The number of applications approved each month shows how the measure is operating in the various Member States.

Table 9: Number of applications for non-marketing and conversion premiums approved each month by Member States

| Month | B | DK | D | F | IRL | L | NL | UK |
|------------|-------|-------|---------|---------|-----|-----|-------|-------|
| 77 July | - | - | } 4,495 | - | - | 3 | - | - |
| August | - | 46 | | 28 | - | 11 | 78 | - |
| September | 44 | 136 | | 127 | - | 14 | 169 | 23 |
| October | 77 | 285 | 2,386 | 529 | - | 11 | 136 | 196 |
| November | 130 | 305 | 2,549 | 577 | - | 15 | 157 | 217 |
| December | 113 | 260 | 2,070 | 750 | - | 24 | 105 | 210 |
| 78 January | 82 | 216 | 2,176 | 913 | - | 29 | 84 | 208 |
| February | 149 | 127 | 2,418 | 807 | 74 | 31 | 107 | 198 |
| March | 50 | 181 | 4,197 | 1,124 | 32 | 25 | 148 | 179 |
| April | 169 | 193 | 2,883 | 943 | 49 | 35 | 221 | 219 |
| May | 98 | 185 | 1,983 | 692 | 4 | 42 | 80 | 201 |
| June | 0 | 0 | 1,452 | 0 | 0 | 0 | 0 | 38 |
| July | 0 | 158 | 1,211 | } 1,844 | 0 | 2 | 58 | 101 |
| August | 0 | 147 | 755 | | 52 | 7 | 154 | 173 |
| September | 249 | 93 | 3,580 | | 40 | 2 | 196 | 300 |
| October | 167 | 110 | 1,493 | 45 | 4 | 29 | 291 | |
| November | 28 | 244 | 1,435 | 450 | 25 | 5 | 57 | 211 |
| December | 82 | 120 | 1,000 | 458 | 58 | 2 | 85 | 144 |
| Total | 1,438 | 2,806 | 36,083 | 9,242 | 379 | 262 | 1,864 | 2,909 |

(f) Reaction of producer-marketers

The marketing of milk products by milk producers has almost entirely disappeared in the Community. Whole milk deliveries account on average for more than 98% of all milk marketed in the Community. Only in

Belgium are sizeable quantities of cream still delivered to dairies, and farmhouse butter still represents almost a quarter of total production.

(g) Combination of the premium system with a programme for eliminating animal diseases

Only in the United Kingdom and Belgium was occasional use made of this facility. The rule became superfluous when the ceiling for paying the premium was raised.

4. Effects of Regulation (EEC) No 1041/78

(a) Reference period

The original fixing of a unified reference period - Article 2(1) of Regulation (EEC) No 1078/77 used the 1976 calendar year - meant that a comparable calculation had to be carried out for each application as a number of cows corresponding to this quantity of milk had to be present on the farm on the day of approval (the Council did not wish to pay out money for cows which had already been disposed of). The new Regulation provides that the reference period is to be the twelve calendar months preceding the month of application. The competent authorities responsible for implementing the regulation are satisfied with its administration.

(b) Increased premiums

The fixing of a standard amount - applicants found it difficult to see the connection with the percentage of the target price - and the increase of the premiums had positive effects on reactions to the measure (see Table 9). The removal of the upper limit of 120 000 kg for calculating the premium probably encouraged farmers with large herds to convert to beef production.

(c) Method of payment

In an effort to facilitate conversion for farmers wishing to give up dairy farming, the Council has provided that 50% of the non-marketing premium and 60% of the conversion premium would be paid in the first three months of non-marketing. The tax regulations of some Member States meant

that a considerable part of the premium therefore went in taxes, reducing farmer's interest. Applicants were therefore allowed to choose to receive their premium in five (non-marketing) or four (conversion) equal annual instalments. About 3 000 farmers (5,5%) have so far chosen this method. Most of these applications came from Denmark, the United Kingdom and the Netherlands.

(d) Adjustment of applications to the new rules

In Article 2 of Regulation (EEC) No 1041/78 the Council provided that premium applications lodged before the date of entry into force of that Regulation (i.e. 22 May 1978) but which had not yet been approved were to be adapted automatically to the new rules, except where this would result in a lower premium. Where the premium application had already been approved, only the amounts still outstanding on the date of entry into force of the new rules (22 May 1978) were to be adapted. This retrospective application of the rules has led to considerable difficulties and has meant considerable additional administrative outlay for the competent authorities. About 37 000 applications had already been approved on that date and some 12 000 had to be reviewed. About 1 000 applications which had not yet been approved were affected by the new rules.

(e) Disposal of farms

Article 2(2)(b) obliges an applicant to undertake not to allow his holding or any part thereof to be used by others for dairy farming until the end of the non-marketing period (five years). In order to simplify and facilitate checks where only a part of the farm is transferred, Article 9(5) of Commission Regulation (EEC) No 1391/78 provides that this obligation shall be considered as being fulfilled if the transferee does not keep more than the number of dairy cows he had on the day of the transfer. Such transfers have so far occurred only in Denmark in about 25 cases.

5. Progress so far and reasons for participation/non-participation

(a) Main centres

Most applications for premiums were submitted in those regions of the Community which also showed the highest degree of participation in the two earlier programmes (see the reports of 22 July 1971 (SEC(71)2732) and 6 December 1974 (SEC(74)4852)). These are, in particular, areas of arable

pastureland (Schleswig-Holstein, Lower Saxony, Westfalia), areas where pig farming predominates (Netherlands), the western regions of the United Kingdom and Eastern France. Detailed information is contained in Annex II.

(b) Reasons for giving up dairy farming

The main reasons for ceasing milk production were:

- availability of alternative forms of farming, especially where the farmer's wife was overworked, particularly in spare-time farming;
- specialization on a single branch of production;
- technical problems connected with milk production;
- excessively high wage costs for milkers on large farms and difficulty in finding relief staff for weekends;
- better prices for pigs and cereals in the initial stage of the system;
- succession problems - the non-marketing period of five years was sometimes seen as a transitional period, i.e. until the successor had grown up;
- dairies have changed their system of milk collection from churns to tankers; this method requires the producer to build a refrigeration plant for milk; smaller producers do not find this economical and therefore give up milk production;
- in order to cut costs, dairies have stopped collecting small amounts of milk daily, forcing farmers to instal refrigeration plants;
- for small farms, the premium was usually an added incentive to cease farming;
- low milk yields;
- the applicant's health and age;
- occurrence of diseases such as tuberculosis, brucellosis or leucosis;
- a restrictive policy on the prices of milk generally led large farms to give up dairy production; the introduction of the co-responsibility levy for milk was a further argument put forward by this class;
- falling demand for farm gate sales;
- the granting of a premium was the final inducement to give up a farm.

(c) Reasons for the poor response

Some of the reasons for the low response are:

- the good feed situation in the 1976/77 farm year. The measures were adopted relatively late, and farmers had already begun to harvest their winter fodder for 1977, so that the animals were also inseminated;

- low feedingstuff prices and the high profitability of milk production relative to other enterprises; the ratio has continued to develop in favour of milk production;
- the lack of alternatives, particularly in pasture-land areas, as Article 2(2)(b) obliges the farmer to undertake in writing that during the non-marketing period he will not allow his holding or any part thereof to be used by others for dairy farming.

It is

- difficult to let or sell pasture-land if dairy farming is forbidden;
- high taxes; as 50 or 60% of the premium is paid out within three months and the animals are generally sold within the same year, the additional income increases the farmer's liability for tax (Netherlands, United Kingdom); the Council has adjusted the regulation to permit payment in annual instalments, which has helped a number of farmers;
 - excessive loss of value when breeding animals have to be sold for slaughter;
 - the uncertain situation on the market in beef as seen by those considering conversion from dairy farming;
 - the general recession which deters part-time farmers in particular from applying for the premium, as no other job openings are available;
 - the premium for small farms with fewer than 10 cows is considered to low; the increase of up to 21.4% from 22 May 1978 has so far had little effect;
 - the Regulation is administratively too complicated and too restrictive;
 - inflation reduces the value of the premium during the non-marketing period;
 - farmers are waiting for an increased premium.

(a) Counselling of applicants

Before submitting their application, applicants are generally advised by the responsible national body or professional organization of the advisability of participating; dairies and the dairy industry in general are continuing to put pressure on farmers not to participate.

(e) Estimated further applications up to 31 March 1979

The future of the scheme can be seen as follows:

(aa) short term

in the first quarter of 1979 one can expect a series of applications from farmers who are willing to stop milk production but who are still using up winter fodder. However the original aim (1.3 mio cows) will

fall far short of being reached. Total estimates for this period vary from 90 000 to 100 000 cows, making a total of 750.000 cows withdrawn from milk production.

(bb) medium term

a further restrictive price policy in the milk sector could lead to additional interest.

i. Conclusions

Participation in the scheme is still below expectations. Deliveries of milk to dairies increased by 5% in 1978. On the other hand, approved applications account for 2,5% of all milk delivered to dairies, i.e. half of the annual increase in the last year is compensated. It seems advisable and necessary to prolong the scheme beyond 31 March 1979. The Commission is of the opinion that if the scheme is extended until the end of the milk year 1979/80 the original target might still be reached.

Breakdown by Member State of applicants for the two premiums

Table 1 : Non-marketing premium for the whole Community.

Table 2 : Conversion premium for the whole Community.

Table 3 : Breakdown of applicants in Belgium.

Table 4 : Breakdown of applicants in Germany.

Table 5 : Breakdown of applicants in Luxembourg.

Table 6 : Breakdown of applicants in United Kingdom.

Table 7 : Breakdown of applicants in Denmark.

Table 8 : Breakdown of applicants in Netherlands

Table 9 : Breakdown of applicants in Ireland.

Table 10 : Breakdown of applicants in France.

Table 1: Number of applicants and cows classified by size of herd covered by applications for the non-marketing premium approved between July 1977 and December 1978 *)

(excluding FRANCE)

| Cows per producer | Applicants | | Cows | |
|-------------------|------------|-------|---------|-------|
| | Number | % | x 1 000 | % |
| 1 - 2 | 5 189 | 12,3 | 9,0 | 2,2 |
| 3 - 4 | 7 388 | 17,8 | 25,8 | 6,3 |
| 5 - 9 | 13 652 | 32,3 | 93,0 | 22,7 |
| 10 - 14 | 7 714 | 18,3 | 90,1 | 21,9 |
| 15 - 19 | 3 866 | 9,2 | 64,4 | 15,7 |
| 20 - 29 | 3 126 | 7,4 | 73,6 | 17,9 |
| 30 - 39 | 803 | 1,9 | 26,6 | 6,5 |
| 40 - 49 | 260 | 0,6 | 11,3 | 2,7 |
| ≥ 50 | 227 | 0,5 | 16,7 | 4,1 |
| total | 42 225 | 100,0 | 410,5 | 100,0 |

*) Germany to November 1978

Table 2: Number of applicants and cows classified by size of herd covered by applications for the conversion premium approved between July 1977 and December 1978 *)
(without FRANCE)

| Cows per producer | Applicants | | Cows | |
|-------------------|------------|-------|---------|-------|
| | Number | % | x 1 000 | % |
| 1 - 2 | - | - | - | - |
| 3 - 4 | 1 | - | 0 | 0 |
| 5 - 9 | 3 | 0,1 | 0 | 0 |
| 10 - 14 | 128 | 5,1 | 1,7 | 2,6 |
| 15 - 19 | 718 | 28,5 | 12,2 | 18,4 |
| 20 - 29 | 993 | 39,5 | 24,1 | 36,5 |
| 30 - 39 | 429 | 17,1 | 14,2 | 21,5 |
| 40 - 49 | 116 | 4,6 | 5,0 | 7,6 |
| ≥ 50 | 128 | 5,1 | 8,9 | 13,4 |
| total | 2 516 | 100,0 | 66,1 | 100,0 |

*) Germany to November 1978

Table 3 : Number of applicants and cows classified by size of herd and proportion of the total number of applications approved in July 1977 - December 1978

BELGIUM

| | Non-marketing | | Conversion | | Applications | | Total |
|----------------|---------------|--------------|--------------|--------------|--------------|------|--------|
| Number of cows | Number of | Number of | Number of | Number of | Number | % 1) | Cows |
| per producer | applications | applications | applications | applications | Number | % 2) | Number |
| 1 - 2 | 113 | 202 | - | - | 113 | 1,4 | 202 |
| 3 - 4 | 181 | 624 | - | - | 181 | 3,6 | 624 |
| 5 - 9 | 422 | 2 915 | - | - | 422 | 3,3 | 2 915 |
| 10 - 14 | 250 | 2 948 | 4 | 56 | 254 | 2,0 | 3 004 |
| 15 - 19 | 139 | 2 321 | 43 | 729 | 182 | 2,0 | 3 050 |
| 20 - 29 | 114 | 2 645 | 54 | 1 274 | 168 | 1,7 | 3 919 |
| 30 - 39 | 28 | 929 | 48 | 1 603 | 76 | 1,5 | 2 532 |
| 40 - 49 | 11 | 482 | 13 | 575 | 24 | 1,2 | 1 057 |
| ≥ 50 | 6 | 395 | 12 | 810 | 18 | 0,9 | 1 205 |
| Total | 1 264 | 13 461 | 174 | 5 047 | 1 438 | 2,2 | 18 508 |

1) % of all dairy farms in December 1977

2) % of all dairy cows kept in December 1977

Table 4 : Number of applicants and cows classified by size of herd and proportion of the total number of applications approved in July 1977 - November 1978

GERMANY

| Number of cows per producer | Non-marketing | | Conversion | | Applications | | Total | |
|--------------------------------|-----------------------------|---------------------|-----------------------------|---------------------|--------------|------|----------|------|
| | Number of applications : | Number of cows : | Number of applications : | Number of cows : | Number : | % 1) | Number : | % 2) |
| 1 - 2 | 4 989 | 8 647 | - | - | 4 989 | 6,7 | 8 647 | 7,5 |
| 3 - 4 | 6 908 | 24 067 | - | - | 6 908 | 8,6 | 24 067 | 8,6 |
| 5 - 9 | 11 637 | 78 599 | 1 | 9 | 11 638 | 7,9 | 78 608 | 7,8 |
| 10 - 14 | 5 714 | 66 410 | 78 | 1 053 | 5 792 | 6,2 | 67 463 | 6,2 |
| 15 - 19 | 2 483 | 41 317 | 415 | 7 041 | 2 898 | 5,5 | 48 358 | 5,5 |
| 20 - 29 | 1 602 | 37 234 | 507 | 12 074 | 2 109 | 4,4 | 49 308 | 4,4 |
| 30 - 39 | 367 | 12 036 | 157 | 5 216 | 524 | 3,5 | 17 302 | 3,5 |
| 40 - 49 | 110 | 4 758 | 33 | 1 377 | 143 | 2,9 | 6 135 | 2,9 |
| 50 | 58 | 4 012 | 24 | 1 517 | 82 | 2,7 | 5 529 | 2,8 |
| Total | 33 868 | 277 130 | 1 215 | 28 287 | 35 083 | 6,76 | 305 417 | 5,64 |

1) % of all dairy farms in December 1977

2) % of all dairy cows kept in December 1977

Table 5: Number of applicants and cows classified by size of herd and proportion of the total number of applications approved in July 1977 - December 1978

LUXEMBOURG

| | Number of cows | Non-marketing | Conversion | Applications | Total |
|--------------|------------------------|----------------|------------------------|----------------|----------------|
| per producer | Number of applications | Number of cows | Number of applications | Number of cows | Number of cows |
| | | | | % 1) | % 2) |
| 1 - 2 | 14 | 27 | - | 14 | 27 |
| 3 - 4 | 33 | 122 | - | 33 | 122 |
| 5 - 9 | 95 | 637 | - | 95 | 637 |
| 10 - 14 | 40 | 469 | 11 | 41 | 480 |
| 15 - 19 | 39 | 648 | 16 | 40 | 664 |
| 20 - 29 | 28 | 682 | 52 | 30 | 734 |
| 30 - 39 | 6 | 214 | - | 6 | 214 |
| 40 - 49 | - | - | 42 | 1 | 42 |
| ≥ 50 | - | - | 105 | 2 | 105 |
| Total | 255 | 2 799 | 226 | 262 | 3 025 |
| | | | | 7,0 | 4,4 |

1) % of all dairy farms in December 1977

2) % of all dairy cows kept in December 1977

Table 6: Number of applicants and cows classified by size of herd and proportion of the total number of applications approved in July 1977 - December 1978

UNITED KINGDOM

| Number of cows per producer | Non-marketing | | Conversion | | Applications | | Total | |
|--------------------------------|-----------------------------|---------------------|-----------------------------|---------------------|--------------|---------|-------------|-----------------|
| | Number of applications : | Number of cows : | Number of applications : | Number of cows : | Number : | % 1) | Number : | Cows % 2) |
| 1 - 2 | 18 | 32 | - | - | 18 | 0,4 | 32 | 0,5 |
| 3 - 4 | 82 | 300 | - | - | 82 | 4,1 | 300 | 3,8 |
| 5 - 9 | 418 | 2 983 | 1 | 9 | 419 | 8,4 | 2 992 | 9,1 |
| 10 - 14 | 459 | 5 437 | 30 | 385 | 489 | 9,8 | 5 822 | 9,1 |
| 15 - 19 | 338 | 5 612 | 206 | 3 480 | 544 | 10,9 | 9 092 | 11,1 |
| 20 - 29 | 374 | 9 113 | 320 | 8 036 | 694 | 6,9 | 17 149 | 7,3 |
| 30 - 39 | 171 | 5 697 | 185 | 6 097 | 356 | 4,5 | 11 794 | 4,1 |
| 40 - 49 | 69 | 3 040 | 55 | 2 435 | 124 | 1,6 | 5 475 | 1,6 |
| >= 50 | 111 | 8 896 | 72 | 5 224 | 183 | 0,7 | 14 120 | 0,6 |
| Total | 2 040 | 41 110 | 869 | 25 666 | 2 909 | 4,0 | 66 776 | 2,0 |

1) % of all dairy farms in December 1977

2) % of all dairy cows kept in December 1977

Table 7: Number of applicants and cows classified by size of herd and proportion of the total number of applications approved in July 1977 - December 1978

DANMARK

| | Number of cows | Non-marketing | Conversion | Applications | Total |
|--------------|------------------------|----------------|------------------------|----------------|----------------|
| per producer | Number of applications | Number of cows | Number of applications | Number of cows | Number of cows |
| | | | | % 1) | % 2) |
| 1 - 2 | 15 | 27 | - | 15 | 27 |
| 3 - 4 | 81 | 296 | - | 81 | 296 |
| 5 - 9 | 704 | 5 110 | - | 704 | 5 110 |
| 10 - 14 | 776 | 9 091 | 7 | 783 | 9 176 |
| 15 - 19 | 454 | 7 577 | 10 | 464 | 7 751 |
| 20 - 29 | 537 | 12 787 | 23 | 560 | 13 322 |
| 30 - 39 | 124 | 4 111 | 5 | 129 | 4 281 |
| 40 - 49 | 38 | 1 673 | 3 | 41 | 1 794 |
| ≥ 50 | 28 | 1 782 | 1 | 29 | 1 843 |
| Total | 2 757 | 42 454 | 49 | 2 806 | 43 600 |

1) % of all dairy farms in December 1977

2) % of all dairy cows kept in December 1977

Table 8: Number of applicants and cows classified by size of herd and proportion of the total number of applications approved in July 1977 - December 1978

NETHERLANDS

| Number of cows per producer | Non-marketing | | Conversion | | Applications | | Total |
|--------------------------------|----------------------------------|-------------------|----------------------------------|-------------------|------------------|------------------|--------|
| | Number of applications : cows | Number of cows | Number of applications : cows | Number of cows | Number : % 1) | Number : % 2) | |
| 1 - 2 | 35 | 59 | - | - | 35 | 0,6 | 59 |
| 3 - 4 | 98 | 352 | 1 | 2 | 99 | 2,5 | 354 |
| 5 - 9 | 321 | 2 319 | - | - | 321 | 4,0 | 2 319 |
| 10 - 14 | 421 | 5 080 | 6 | 74 | 427 | 4,7 | 5 154 |
| 15 - 19 | 363 | 6 096 | 13 | 222 | 376 | 4,2 | 6 318 |
| 20 - 29 | 422 | 10 009 | 47 | 1 156 | 469 | 2,9 | 11 165 |
| 30 - 39 | 85 | 2 867 | 12 | 406 | 97 | 0,9 | 3 273 |
| 40 - 49 | 21 | 891 | 2 | 85 | 23 | 0,3 | 976 |
| > 50 | 15 | 947 | 2 | 117 | 17 | 0,1 | 1 064 |
| | | | | | | | |
| Total | 1 781 | 28 620 | 83 | 2 062 | 1 864 | 2,3 | 30 682 |

1) % of all dairy farms in December 1977

2) % of all dairy cows kept in December 1977

Table 9: Number of applicants and cows classified by size of herd and proportion of the total number of applications approved in July 1977 - December 1978

IRELAND

| Number of cows per producer | Non-marketing | | Conversion | | Applications | | Total | |
|--------------------------------|---------------------------|-------------------|---------------------------|-------------------|--------------|------|-------|--------|
| | Number of applications | Number of cows | Number of applications | Number of cows | Number | % 1) | | Number |
| 1 - 2 | 5 | 8 | - | - | 5 | 0,0 | 8 | 0,0 |
| 3 - 4 | 5 | 17 | - | - | 5 | 0,0 | 17 | 0,0 |
| 5 - 9 | 55 | 397 | 1 | 7 | 56 | 0,3 | 404 | 0,3 |
| 10 - 14 | 54 | 646 | 2 | 26 | 56 | 0,4 | 672 | 0,4 |
| 15 - 19 | 50 | 815 | 30 | 510 | 80 | 0,9 | 1 325 | 0,9 |
| 20 - 29 | 49 | 1 169 | 40 | 964 | 89 | 0,7 | 2 133 | 0,8 |
| 30 - 39 | 22 | 745 | 22 | 751 | 44 | 0,7 | 1 496 | 0,8 |
| 40 - 49 | 11 | 491 | 9 | 399 | 20 | 0,7 | 890 | 0,6 |
| > 50 | 9 | 669 | 15 | 1 039 | 24 | 0,6 | 1 708 | 0,6 |
| Total | 260 | 4 957 | 119 | 3 696 | 379 | 0,3 | 8 653 | 0,6 |

1) % of all dairy farms in December 1977

2) % of all dairy cows kept in December 1977

Table 10 : Number of applicants and cows classified by amount of deliveries, July 1977 - December 1978

France

| ANNUAL AMOUNT OF DELIVERIES | NON-MARKETING | | CONVERSION | | TOTAL | |
|-----------------------------|------------------------|----------------|------------------------|----------------|------------------------|----------------|
| | NUMBER OF APPLICATIONS | NUMBER OF COWS | NUMBER OF APPLICATIONS | NUMBER OF COWS | NUMBER OF APPLICATIONS | NUMBER OF COWS |
| LESS THAN 30.000 Kg | 2.880 | 22.284 | | | | |
| | | | 600 | 11.141 | 5.558 | 60.311 |
| 30.000 Kg - 50.000 kg | 2.078 | 26.886 | | | | |
| | | | | | | |
| 50.000 kg - 120.000 kg | 1.710 | 35.966 | 1.427 | 33.803 | 3.173 | 69.769 |
| | | | | | | |
| MORE THAN 120.000 Kg | 259 | 10.125 | 288 | 13.743 | 547 | 23.868 |
| | | | | | | |
| TOTAL | 6.927 | 95.261 | 2.315 | 58.687 | 9.242 | 153.948 |

GEOGRAPHICAL DISTRIBUTION OF APPLICATIONS BY MEMBER STATE

Table 11 : Belgium

Table 12 : Denmark

Table 13 : France

Table 14 : Germany

Table 15 : Netherlands

Table 16 : United Kingdom

TABLE 11

Geographical distribution of total number of applicants
(non-marketing and conversion) July 1977 to December 1978 in Belgium

| : REGION | : | NUMBER OF APPLICATIONS | : |
|-----------------------|---|------------------------|---|
| : Anvers | : | 56 | : |
| : Brabant | : | 147 | : |
| : Hainaut | : | 63 | : |
| : Limbourg | : | 136 | : |
| : Liège | : | 47 | : |
| : Luxembourg | : | 28 | : |
| : Namur | : | 44 | : |
| : Flandre Orientale | : | 233 | : |
| : Flandre Occidentale | : | 348 | : |
| : | : | | : |
| : BELGIUM | : | 1.102 | : |

TABLE 12

Geographical distribution of applicants (non-marketing and conversion) 1.7.1977 - 22.11.1978 in Denmark

| REGION | NON-MARKETING | CONVERSION | TOTAL |
|------------------|---------------|------------|-------|
| 1 KOEBENHAVN | 7 | - | 7 |
| 2 FREDERIKSBORG | 32 | 1 | 33 |
| 3 ROSKILDE | 41 | - | 41 |
| 4 VESTSJAELLAND | 279 | 1 | 280 |
| 5 STORSTROEM | 241 | 5 | 246 |
| 6 BORNHOLM | 73 | 1 | 74 |
| 7 FYN | 482 | 9 | 491 |
| 8 SOENDERJYLLAND | 229 | 3 | 232 |
| 9 RIBE | 181 | 6 | 187 |
| 10 VEJLE | 305 | 8 | 313 |
| 11 RINGKOEHING | 422 | 10 | 432 |
| 12 AARHUS | 544 | 12 | 556 |
| 13 VIBORG | 426 | 11 | 437 |
| 14 NORDJYLLAND | 529 | 11 | 540 |
| DENMARK | 3.791 | 78 | 3.869 |

TABLE 13

Geographical Distribution of total number of applicants and cows
(non-marketing) 1.7.77 to 15.11.78 in France

| REGION | NUMBER OF APPLICATIONS | NUMBER OF COWS |
|----------------------|------------------------|----------------|
| Ile de France | 22 | 517 |
| Champagne-Ardennes | 351 | 5.996 |
| Picardie | 558 | 9.810 |
| Haute Normandie | 415 | 7.420 |
| Centre | 354 | 4.015 |
| Basse Normandie | 324 | 5.875 |
| Bourgogne | 293 | 2.676 |
| Nord | 783 | 8.477 |
| Lorraine | 255 | 4.860 |
| Alsace | 233 | 2.678 |
| Franche Comte | 153 | 2.397 |
| Pays de la Loire | 612 | 7.366 |
| Bretagne | 1.087 | 14.213 |
| Poitou Charente | 685 | 6.783 |
| Aquitaine | 258 | 3.300 |
| Midi Pyrénées | 435 | 5.448 |
| Limousin | 53 | 747 |
| Rhone Alpes | 330 | 4.291 |
| Auvergne | 53 | 857 |
| Languedoc Roussilon | 11 | 151 |
| Provence Côte-d'Azur | 32 | 360 |
| Corse | 0 | 0 |
| TOTAL | 7.297 | 98.232 |

TABLE 14

Geographical distribution of total number of applicants and cows
(non-marketing and conversion) 1.7.77 to 30.11.78 in Germany

| REGION | NUMBER OF APPLICATIONS | NUMBER OF COWS |
|--------------------|------------------------|----------------|
| Schleswig-Holstein | 2.185 | 39.533 |
| Hamburg | 22 | 305 |
| Bremen | 14 | 161 |
| Niedersachsen | 6.117 | 61.796 |
| Berlin | 4 | 66 |
| Nordrhein-Westf. | 6.528 | 65.178 |
| Hessen | 3.749 | 23.112 |
| Theinland-Pfalz | 2.158 | 13.745 |
| Saarland | 188 | 1.574 |
| Bayern | 9.798 | 71.717 |
| Baden-Württemberg | 4.331 | 28.231 |
| Germany | 35.094 | 305.434 |

TABLE 15

Geographical distribution of total number of applicants and cows
(non-marketing and conversion) 1.7.77 to 30.11.78 in Netherlands

| REGION | NUMBER OF APPLICATIONS | NUMBER OF COWS |
|-------------------|------------------------|----------------|
| Groningen | 126 | 1.996 |
| Friesland | 74 | 1.541 |
| Drenthe | 130 | 2.169 |
| Overijssel | 192 | 3.204 |
| Ijsselmeerpolders | 46 | 1.307 |
| Gelderland | 368 | 4.738 |
| Utrecht | 34 | 683 |
| N. Holland | 106 | 1.745 |
| Z. Holland | 106 | 1.700 |
| Zeeland | 37 | 606 |
| N. Brabant | 338 | 5.950 |
| Limburg | 204 | 3.438 |
| Netherlands | 1.761 | 29.077 |

TABLE 16

Geographical distribution of total number of applicants and cows
(non-marketing and conversion) 1.7.77 to 30.11.78 in the United Kingdom

| REGION | NUMBER OF APPLICATIONS | NUMBER OF COWS |
|------------------------|------------------------|----------------|
| ENGLAND | | |
| Eastern Region | 125 | 3.579 |
| East Midlands Region | 214 | 5.827 |
| West Midlands Region | 288 | 6.779 |
| Northern Region | 207 | 4.681 |
| South Eastern Region | 125 | 3.275 |
| South Western Region | 778 | 16.291 |
| Yorks and Lancs Region | 159 | 3.801 |
| TOTAL ENGLAND | 1.896 | 44.233 |
| Wales | 443 | 6.975 |
| Scotland | 137 | 5.645 |
| Northern Ireland | 290 | 5.080 |
| UNITED KINGDOM | 2.766 | 61.933 |