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CAP WORKING NOTES 1994

AGRICULTURAL PRICES 1994/1995

Commission proposals

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1994/1995

Commission proposals

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INTRODUCTION

The 1994/95 marketing year is the second year of transition towards the full application of the CAP reform decided on in 1992. As last year, therefore, many of the key price decisions have already been taken and the prices package is more restricted in scope than was the case in the years before the reform. In general terms, prices which have already been decided are left unchanged and, where price decisions are needed, the proposal is to continue existing levels. Previous decisions to introduce changes in the aid systems for dried fodder and starch potatoes are given concrete form. On the other hand, the envisaged reduction in milk quotas will be considered subsequently, when the Council reaches a decision in the light of reports on the state of the milk market and the situation in certain Member States which, as requested by Ministers in the context of CAP reform, are to be provided in March.

A. GENERAL CONSIDERATIONS

I. General economic situation

In 1993, the general economic situation in the European Union was characterized by stagnation or negative growth in almost all Member States. After a period of relatively steady increase, total Gross Domestic Product in the Union will be 0.4 % lower than last year. For 1994, prospects are only slightly better and suggest a GDP growth of + 1.3 %. Unemployment is expected to increase from 9.5 % in 1992 to 10.6 % in 1993 and might rise even further in 1994.

By contrast, inflation is expected to slow down further in 1993 to a rate of 3.7 %, after 4.6 % the previous year. Estimates for 1994 are even more optimistic and show a rate, on a yearly base, not exceeding 3.0 %. It is also expected that the magnitude of variation of inflation rates between Member States will be reduced as a result of greater cooperation between Member States in the second phase of Economic and Monetary Union, which starts 1 January 1994.

II. The agricultural economy in 1993

The marketing year 1993/94 was the first year of complete implementation of the CAP reform regulations.

In the crop year 1993/94, total area sown to cereals, oilseeds and protein crops (COP) was down by 3.2 million hectares, mainly as a result of reduced plantings to cereals. Area used for oilseeds remained almost stable compared to 1992/93 and acreage for protein crops expanded to a new record level.

Weather conditions during the growing season 1993 were, in general, favourable for the development of field crops. Average yields are expected to be above trend and they exceed substantially the very low levels of last year.

For cereals, the 1993/94 marketing year started with record stocks of 42.3 million tonnes, of which 33.3 million t were held in public intervention. The harvest covered by the 1993/94 marketing year is put at around 165 million tonnes, 4 million t down on last year's very low level and 16 million t below the 1991 harvest. As a result of the cuts in intervention prices for cereals, in line with the CAP reform decisions, market prices for most of the cereals fell considerably. Induced by these price cuts, it is expected that the trend of declining use of cereals as animal feed will be broken this year. Additional use of cereals for animal feed in the order of 4 million t should be possible, which leads also to reduced cereals stocks at the end of the marketing year of around 33 million t (private and interventions stocks taken together). Due to difficult conditions, intervention quality standards for some cereals have not always been met.

For oilseeds, total production is estimated at around 11.2 million t, with very little change in total area planted to the various oilseeds. Total area for sunflower seed, however, saw a significant expansion in Spain, which was offset by a cut in area for rapeseed and soya elsewhere.

For protein crops (peas, beans and sweet lupins) 1993 saw an expansion of the area sown without this leading to crop disposal problems. This expansion took place despite the fact that these products are mainly grown by larger producers who will have participated in set-aside and suggests that the fears which were expressed at the time of the reform that these products would have difficulty in maintaining their position in the face of increased competition from cereals were exaggerated. This is encouraging, as it would not be in the Community's interest for the area traditionally devoted to these products to be switched to cereals.

For olive oil, the 1993/94 harvest is expected to be somewhat higher than last year. The switch from consumption aid to production aid, which was started in the 91/92 marketing year, did not have a significant impact on producer prices, which remained almost constant.

In the dairy sector, milk production saw another slight decrease against last year's level. The number of dairy cows continued to decline, but average milk yield per cow increased.

In the beef sector, the number of suckler cows further increased, but total beef production is expected to be considerably lower than last year. Total beef consumption is expected to increase slightly which leads, under the assumption of high level exports of around 1.2 million t in 1993, to a significant decrease in stocks at the end of the year to a level of 500 000 t compared to over 1 million t at the beginning of the marketing year.

For pigmeat, due to a large supply of pigs, recorded producer prices are very low. Relatively low feed costs, induced by the drop in domestic cereal prices, boosted pig production, resulting in very low and sometimes even negative margins for pigmeat producers. For poultry, the situation is substantially better.

The evolution of producer prices in 1993 is highly dominated by the effects of the reform decisions, in particular for cereals, oilseeds, protein crops and beef, where price reductions have been accompanied by direct compensatory payments. The 1993 producer price index, however, only reflects market price evolution, not taking account of direct payments. Against this background, nominal producer prices increased by 0.6% or decreased, in real terms, by 4.4%. The largest reductions in real terms could be observed for pigmeat (-23.3%), wine (-9.2%) and fruit (-9.0%). In contrast, cattle (+5.6%), sheep (+2.6%) and eggs (+4.0%) saw a positive evolution of producer prices.

Agricultural input prices in nominal terms increased by +3.1%, which translates into a fall of -1.4% in real terms. Most pronounced cuts in the price index, expressed in real terms, were in fertilizers (-6.7%), seeds (-2.3%) and animal feedingstuffs (- 2.0%).

Gross value added at factor costs in 1993 should include compensation payments related to CAP reform, in order to reflect correctly the income situation in agriculture and to enable comparison with preceding years. Methodological problems occurring in the assessment of these direct payments led to the situation of their not yet being correctly recorded in all Member States. A complete picture of income in 1993 can therefore not be given.

III. Agrimonetary and Budget

The 1994 budget guideline amounts to ECU 36 465 million , which represents a slight decrease of 192 million ECU on last year. As a consequence of all the different realignments until May 1993, budget requirements for 1994 increased by ECU 1 566 million against a situation without monetary changes.

IV. Outlook for some major Community markets

In the crop sector, the CAP reform will be making a significant impact on practically all crops over the coming years. The livestock sector will either be directly affected by direct livestock premium (beef and sheepmeat) or gain competitiveness through declining animal feed prices. The result of the first full application of the reform clearly underlines that it has, as intended, made for a significant improvement in the balance between supply and demand.

Other sectors will follow the reform process. The discussion paper communicated by the Commission to the Council (COM (93) 380 final) on the development and future of the wine sector sets out substantial proposals which aim better to control production, to restore market balance and to improve quality. Another example is the fruit and vegetables sector, for which the necessary reflections will be communicated to the Council in due course.

The reform largely enables European agriculture to take account of the consequences of the implementation of the Union's GATT obligations. The reform of the CAP contributed to making this agreement possible and underlined the willingness of the Community to assume its responsibility in world agricultural trade.

As a result of the GATT agreement, world market prices of agricultural products are forecast to strengthen and even increase over the next year. Greater agricultural support discipline and improved market access opportunities, agreed by all contracting parties of the GATT, will also have positive repercussions for the Union's trade interests.

For cereals, total production is forecast to reach, under normal circumstances, some 175 million t in 1998. Area planted to cereals will be affected by voluntary set-aside, which might become attractive to some cereals farmers over time. Total cereals consumption will further increase. The structural surplus of cereals will therefore gradually decrease and a better balance be brought back to the cereals sector.

In oilseeds, the maximum guaranteed area is fixed at 5.128 million ha. This area is assumed to be respected and, for planting, reduced by the required set-aside. Total oilseeds production will therefore increase only slightly, due to productivity changes over time. The option to produce oilseeds as non-food on set-aside land will probably mainly be utilized by rapeseed producers. For protein crops, very little change is expected, which translates into an almost stable area of 1 to 1.3 million ha.

Beef production is expected to drop considerably in 1993. However, unless the rules decided in the reform, in particular the density rules, offset the normal cyclical evolution starting in 1994, beef supply is likely to increase again, reaching a peak in 1995. As far as the medium-term outlook is concerned, production could return to a level of around 8.2 million tonnes in 1998, if the number of suckler cows remains stable at about 11 million heads (i.e. the reference herd). Beef consumption is expected to stay at current levels or might fall slightly, depending on whether the product's image in the mind of the consumer can at least be maintained.

For pig and poultry meat, a continuation of the upward trend in production and consumption is assumed, resulting in a balanced supply and demand. Due to reduced input prices, competitiveness of pig and poultry producers will further improve and at least stabilise EC exports for these products.

Overall milk production is likely to be at about the level of the total Community quota, and will therefore be directly influenced by the decision the Council has to take on whether to maintain the 2 % reduction decided in principle in the context of the CAP reform. Consumption of butter and skimmed milk powder is assumed to decline. In contrast, consumption of cheese and other dairy products continues to increase.

V. Price proposals and accompanying measures

The 1994/95 marketing year is the second transitional year towards the full application of the prices and compensatory aid decisions taken by the Council in May 1992 as part of a fundamental reform of the CAP. For most of the products covered by that reform, the Commission sees no reason to change either the price levels or the aid mechanisms decided at that time which, in general and despite certain initial application problems, appear to be working well and as intended.

However, as the Commission has already announced in the report it has presented to the Council on the state of the beef market (COM(93) 601), unforeseen problems have arisen in relation to the use of 1992 as a base year for the determination of the regional reference quantities for beef premiums. In several Member States this year has proved to be wholly atypical of the normal level of premium payments made in the past or likely to be made in the future. This has arisen because of changes in application patterns by producers in countries which applied the on-farm option under the previous regime and, in certain cases, because of decisions by Member States to change the application dates. The result is that, if 1992 is retained as a possible reference year, the total of the regional reference quantities for the Community as a whole will be about 30 % above normal levels. The result would be that the system could not be regarded as a limitation of support to a real level of production in the past and would be wholly ineffective as a means of limiting expenditure. For these reasons the 1992 statistics cannot be regarded as truly representative and must not be taken into account.

In the milk sector, the Council in May 1992 decided in principle on reductions of milk quotas of 1 % in each of the years 1993/94 and 1994/95 but reserved the possibility to review these decisions in the light of reports of the market situation and of the specific situations of certain Member States to be presented before the beginning of the years in question. Last year, in the light of the 1993 reports, the Council decided to accelerate the butter price reductions decided in the reform in order to avoid an immediate reduction in quotas and to increase the global quantities allocated to Italy, Spain and Greece for one year. The Commission has included within this year's package only a proposal to reduce the price of butter, whilst reserving the possibility of introducing proposals for a 2 % reduction of quotas - the principle of which was decided by the Council as part of the CAP reform and of extending the increases in respect of Italy, Greece and Spain when the situation reports become available in March 1994.

In the sectors not covered by the 1992 reform decisions, further analysis and discussion is needed before proposals can be made and in this package the Commission has limited itself to filling in the details of decisions already taken or continuing processes already begun. Thus, for starch potatoes a mechanism is proposed to ensure the respect of the global figure of 1.5 million tonnes agreed as part of the 1993 prices package. In the dried fodder sector, the regime to be applied in 1994/95 was agreed as part of the 1993 price fixing as part of a transition towards a new system to be applied thereafter. The Commission proposes that this new system should consist of a simplified aid, more stringent quality criteria and the elimination of overlap between this aid and the compensatory aids decided in the context of the reform of the CAP. For olive oil, in the light of the experience acquired after the last two years of reducing the consumption aid and increasing production aid, the Commission proposes to take this process to its logical conclusion by switching consumption aid entirely to production aid. This change will represent a significant simplification, eliminating the need for a double control system. In the wine sector where the Commission's suggestions for the future of the regime have already been published in the form of a consultation document, the Commission intends as soon as possible to table proposals for legislative texts but has included within this package proposals for the extension of certain dates within the existing regime so as to avoid the risk of legal problems should the Council not have adopted the new regime before the new marketing year begins.

For pigmeat, where the market has been seriously depressed as a result of overproduction, the Commission proposes a significant reduction of the basic price. The Commission made a similar proposal last year which was rejected by the Council. The Commission wishes again to emphasise that the role of the basic price in determining support has become non-existent as this price has become totally detached from the parameters originally assigned to it. Its prime function should be to indicate to producers the level at which medium-term balance between supply and demand may be found. As the present market situation demonstrates, it is no service to producers to deprive them of this signal by retaining a totally unrealistic basic price.

With these exceptions, the general line proposed for the sectors not covered by the reform is for unchanged prices and mechanisms. Certain adaptations are, however, needed in both these sectors and in the cereals sector to take account of the effect on storage costs of the major reduction in interest rates. Thus the package contains proposals to reduce the sugar storage refunds, the rice monthly increments and the cereals monthly increments.

Timing. As this is a relatively simple package, the Commission hopes that Parliament will be able to give an early opinion on it and that the Council will be able to reach rapid decisions. This will enable farmers to know where they stand in relation to the coming marketing year.

Agrimonetary Measures

Decisions on green rates no longer form part of the prices package. It should, however, be emphasised that references to unchanged prices in these proposals refer to prices in ECU which are subject to adjustment under agrimonetary rules. As, however, there have been no changes in the switchover coefficient since 14 May 1993, the only changes currently foreseen are for products whose marketing years begin before 14 May 1994.

Financial implications

These proposals would provide budgetary economies estimated at ECU 30 million in 1994 and ECU 1700 million in 1995. It should be noted, however, that these savings do not imply an equivalent reduction in the level of support. In particular, some ECU 1200 million of the saving foreseen for 1995 results from the proposal that payment of the olive oil production aid should not be made before 16th October 1995. Although this only implies a slight delay in the payment, it has the effect of switching expenditure from one budget year to the next.

The Commission believes that if these proposals are accepted, the cost of the CAP in 1994, excluding some of the costs arising from the monetary realignments which took place between September 1992 and May 1993, can be kept within the budgetary guideline.

As regards 1995, these proposals should allow the guideline to be respected, provided that the cost of the monetary realignments referred to above are covered outside the guideline.

GATT

When the recent agreement to conclude the Uruguay Round has been ratified the Commission will present proposals to translate the obligations to which this will give rise into Community law. These obligations are expected to commence as from 1st July 1995. Where necessary it will, in that context, deal with any overlap between the 1994/95 marketing year and the entry into force of the Community's GATT obligations.

B. Explanatory memoranda by product

1. CEREALS

1.1. Prices

Cereals prices were fixed in connection with the reform by the new basic Regulation on the common organization of the market in cereals (Regulation (EEC) No 1766/92). Taking into account the monetary realignments that occurred during the 1992/93 marketing year, the figures for 1994/95 are as follows:

- ECU 106.60/t for the intervention price
- ECU 118.45/t for the target price and
- ECU 162.87/t for the threshold price

(see Commission Regulation (EEC) No 1709/93).

1.2. Monthly increments

For 1993/94, the monthly increments have been reduced by 5% to take account of the cut in guaranteed prices resulting from the reform.

The guaranteed prices are to be cut again (+/- 7.7%) for 1994/95.

Added to this is a substantial drop in the interest rates payable on loans. The combination of these two factors leads to a marked decrease in the financial costs of storage. It is therefore proposed that the amount of the monthly increment for the intervention price and the threshold price be set at ECU 1.16/t (instead of ECU 1.425/t) per month. It is proposed that there be no monthly increment for the target price.

- 1.3. When cereals levies are set, it is sometimes necessary to fix a premium to be applied to the levy set for future months by comparison with the spot levy. At present the basic cereals Regulation requires both the premium and the levy to be fixed at the same time, which necessitates a Commission regulation setting premiums even when they are zero. As a measure of administrative simplification, it is proposed that premiums be published only when they are needed. This measure will have no practical effect on trade but will avoid the need to publish a large number of unnecessary regulations. Similarly it is sometimes necessary to apply corrective amounts to refunds. For the same reason the Commission proposes that in future they should only be published when needed.

2. RICE

2.1. Prices

It is proposed that the intervention price for paddy rice be maintained, i.e. at the level fixed by Commission Regulation (EEC) No 1896/93 following the monetary realignments which have occurred (ECU 309.60/t).

As regards the target price for husked rice, this is derived from the intervention price, taking account, among other things of transport costs between Vercelli and Duisburg. These costs, expressed in national currency (DM) have not changed from the previous marketing year.

It is therefore proposed that the target price also be kept unchanged for 1994/95 at the level resulting from the above-mentioned Commission Regulation, i.e. ECU 530.60/t.

The Commission will also monitor the situation in the rice sector, in the light of the market trend (in particular, the balance between varieties) and the impact of the CAP reform, in sectors where it has made itself felt, on that market.

2.2. Monthly increments

The situation with regard to storage costs for rice with respect to interest rates payable on loans is similar to that for cereals. On the other hand, financing costs are higher on account of the guaranteed price which is not subject to a cut as is the case with cereals. It is therefore proposed that the monthly increments for rice be reduced to ECU 1.88/t per month (instead of ECU 2.07/t) for the intervention price and ECU 2.35/t per month for the target price (instead of ECU 2.58/t).

2.3. Other measures

Draft Regulation amending Annex A to Regulation (EEC) No 1418/76. The purpose of this draft Regulation is to amend the current definition of broken rice so as to resolve the problem of the presence of unripe grains.

This amendment became necessary following the judgment of the Court in Case 159/88.

2.4. As for cereals, the Commission proposes that in future premiums on levies and correctives on refunds be published only when they are needed.

3. Potato starch regime

3.1. By Regulation (EEC) No 1543/93, the Council decided:

- to maintain the special premium for the potato starch industry "provided that the total potato starch production has not exceeded the quantity of 1.5 million tonnes during one or two of the preceding marketing years";
- if the quantity of 1.5 million tonnes is exceeded, the Council will decide on what measures to take in accordance with the procedure laid down in Article 43(2) of the Treaty.

It is now evident that production during 1993/94 will have exceeded the threshold of 1.5 million tonnes.

3.2. The continued increase in starch production has led to a surplus, resulting in the accumulation of substantial commercial stocks and recourse to exports on the world market, at a high cost to the EAGGF.

Although the problem of excess production of starch is not entirely due to the expansion of potato starch, its existence necessitates a careful evaluation of the balance between the support for potato starch and for starch produced from cereals.

3.3. Traditionally support for starch potatoes has been linked to support for cereals. Starch potatoes have benefited from a minimum price linked to the price for cereals and starch produced from potatoes has benefited from the same regime as starch produced from cereals. In addition the potato starch industry has received a special premium to compensate for the fact that the production of starch from potatoes yields less valuable by-products than the production of starch from cereals and that the disposal of the residue from potato starch production without damage to the environment involves higher costs than the disposal of the residue from the production of cereal-based starch.

When the support system for cereals was reformed in 1992, the link between starch potatoes and cereals was partially maintained by the introduction of a compensatory payment linked to the compensatory payment for cereals. But none of the elements of the new arable products regime which are designed to control production were applied to starch potatoes. Their compensatory payment is paid per tonne rather than per hectare based on past yields; it is not conditional on set-aside; and the area devoted to starch potatoes does not form part of regional (or individual) base areas.

3.4. The reason why starch potatoes were not fully integrated into the reformed regime for other arable products is that this could not effectively be done because of the possibility of substitution between starch potatoes and other potatoes. This reason remains valid.

- 3.5. In view of this analysis, it is appropriate to introduce a system of reference quantities as an alternative form of production control.

The Commission accordingly proposes that production of starch outside the reference quantities should not be marketed within the Community but, if produced at all, should be marketed outside the Community without the benefit of export refunds, in line with the system applied to C sugar. Such starch would not qualify for the special premium nor would the potatoes used for its production benefit from the minimum price or the compensatory payment.

- 3.6. The total size of the reference quantity should be set at 1.5 million tonnes of starch, in line with the Council decision contained in Regulation (EEC) No 1543/93. The distribution of the quota of 1.5 million tonnes of starch between Member States should take account of production during a reference period. Specific recognition should, however, be given to the fact that production in the new German Länder during a reference period which is appropriate in the rest of the Community was not typical of production under the CAP. The Commission therefore proposes that the reference period should be the average of the three years 1990/91, 1991/92, 1992/93, but that for Germany, where the earlier reference years are atypical because of the importance of production in the new Länder, the single year 1992/93 should be used. All the figures arising from the reference periods, apart from those for Germany, should be adjusted by a single coefficient, so as to bring the total for the Community to 1.5 million tonnes.

3.7. The relevant statistics and the resulting reference quantities are as follows: -

:-----:	:-----:	:-----:	:-----:
:Member State:	Average prod. :	Adjustment :	Adjustment other :
:	: 90/91-92/93 :	: Germany :	: Member States (2):
:-----:	:-----:	:-----:	:-----:
: Netherlands:	518 998	: 518 998	: 538 307
: Germany :	457 947	: 501 717(1):	: 501 717 (1)
: France :	271 504	: 271 504	: 281 516
: Denmark :	172 024	: 172 024	: 178 460
:	:	:	:
: TOTAL :	1 420 473	: 1 464 243	: 1 500 000
:-----:	:-----:	:-----:	:-----:

(1) Quantity corresponding to 1992/93

(2) Proportional allocation of the remaining quantity of 35 757 tonnes.

3.8. Member States should distribute the national reference quantities between starch producing enterprises according to objective criteria. These enterprises should then distribute these quantities to the growers who supply them. To cope with climatic variations, potato starch producers should be allowed to carry forward up to 5 % of their reference quantity from one year to the next, with the amount carried forward counting against the reference quantity in that following year.

4. SUGAR

- 4.1. The Commission proposes a freeze on the basic price for beet, the intervention price for white sugar and the manufacturing margin.

This proposal relates to the basic price for beet and to the minimum prices for A beet and B beet, which depend ultimately on a ceiling fixed for the basic production levy and for the B levy, the latter being subject to a subsequent increase in the ceiling in accordance with Article 28 of Regulation (EEC) no 1785/81.

- 4.2. As far as the reimbursement of storage costs is concerned, the Commission proposes that the amount of the monthly refund be reduced from ECU 0.52/100 kg to ECU 0.35/100 kg, to take account of the lower interest rates prevailing in the Community.

1994/95 PRICE PROPOSALS FOR SUGAR

		1993/94 prices ECU	1994/95 propos. ECU	Change %
1. Basic price for beet	t	39.48	39.48	0
2. Minimum price for A beet	t	38.69	38.69	0
3. Minimum price for B beet	t	26.85	26.85	0
4. Intervention price for white sugar	q	52.33	52.33	0
5. Target price for white sugar	q	55.07	55.07	0
6. Threshold price for white sugar	q	63.18	63.18	0
7. Intervention price for raw sugar	q	43.37	43.37	0
8. Threshold price for raw sugar	q	53.99	53.99	0
9. Threshold price for molasses	q	6.80	6.80	0
10. Monthly reimbursement of storage costs	q	0.52	0.35	- 32.69

- (1) 98 % of the basic price for beet
 (2) 68 % of the basic price for beet, except where Article 28(5) of Regulation (EEC) No 1785/81 is applied.

5. OLIVE OIL

- 5.1. The Commission proposes that the target price for olive oil be kept at the 1993/94 level.
- 5.2. In the light of the market trend for olive oil, the Commission takes the view that the entire amount of the consumption aid, less a percentage corresponding to the amount withheld for 1993/94 for promotion schemes, should be transferred to production aid, with a reduction in the intervention price by the same amount.

It has become clear that the partial transfers from one aid to the other applied in previous years do not influence the level of olive oil consumption in the Community. The proposed cut in the intervention price will also make olive oil more competitive on the market.

The abolition of the consumption aid will also mean that checks can be concentrated on the production stage, which will greatly streamline the control system and thus make it more effective.

- 5.3. It should be pointed out that the proposed amendment will have a neutral effect on the incomes of large producers who sell their products on the market. As for small producers, who consume a large part or even all the olive oil they produce, the reduction in the intervention price will have very little impact on their income. On the other hand, they will benefit from a very substantial increase in the production aid.
- 5.4. The result of abolishing consumption aid and hence the representative market price will be that the threshold price will no longer be derived from the representative market price but will be equal to the target price less the production aid and landing and forwarding costs.
- 5.5. It is proposed that the deduction from the consumption aid used for funding schemes to promote consumption of olive oil be replaced by an annual allocation of:

- ECU 10 million for promotion schemes in the Community,
- a maximum of ECU 5 million as the Community contribution to the budget of the International Olive Oil Council for promotion in non-Community countries.

It is also recommended that the amounts withheld on the production aid (for schemes to improve quality and contributions towards the financing of the activity of trade organizations) be fixed in the light of the tasks assigned and of the proposed adjustment of the aid.

- 5.6. In Spain and Portugal the amount of the production aid must be aligned on the common level.

(To ensure fair budget repercussions in Spain and Portugal from the increase in the production aid for the Ten, the Commission proposes that the increase be applied in its entirety to the aid in Spain and Portugal).

5.7. The Commission's proposals for 1994/95 are set out in the following table. For the purposes of comparison, the table also shows what factors determined the production aid and the consumption aid for the 1993/94 marketing year.

5.8. As far as the budget is concerned, the complete switch from consumption aid to production aid means that in future 90 % of the expenditure on the sector will go on the budget heading "Production aids".

At present expenditure on this heading occurs mainly in the concluding months of the financial year as far as small producers are concerned. The same applies in Greece and Spain as regards advances to other producers, whereas in Italy these advances are paid after 16 October.

Given that the financial year ends on 15 October, it is clear that any unforeseen circumstance, whether administrative or other, could lead to very substantial shifts between financial years and thus destabilise the budget management. To avoid these risks, the Commission proposes that aids to small producers and advances to other producers be paid from 16 October of the second calendar year of the marketing year (i.e. 16 October 1995 for the 1994/95 marketing year). Aids for small producers must also be paid by 31 December of the same year.

5.9. Having regard to the structural situation in the olive oil sector, characterized by an upward trend in production, no change is proposed for the maximum guaranteed quantity, which should be kept at 1 350 000 tonnes for the marketing years 1994/95 to 1996/97.

A N N E X

ECU/100 kg

TYPE OF PRICE OR AID	: 1993/94	: 1994/95	:
1. Producer target price	: 317.82	: 317.82	:
2. Intervention price	: 191.98	: 152.60	:
3. Representative market price	: 190.06	: --	:
4. Threshold price	: 186.64	: 186.64	:
5. Production aid	:	:	:
- EUR 10	: 88.18	: 127.56	:
- Spain	: 66.34	: 116.64	:
- Portugal	: 66.34	: 116.64	:
6. Production aid for olive-growers producing an average of less than 500 kg a year	:	:	:
- EUR 10	: 95.87	: 135.25	:
- Spain	: 73.18	: 123.91	:
- Portugal	: 73.18	: 123.91	:
7. Consumption aid	: 39.58	: --	:
8. Percentage withheld on the production aid	:	:	:
- quality improvement	: 1.50 %	: 1.40 %	:
- aid for producers' organizations and associations thereof	: 1.10 %	: 0.8 %	:
9. Percentage withheld on consumption aid	:	:	:
- promotion campaigns	: 0.50 %	: --	:
- aid for trade bodies	: 2.00 %	: --	:

6. DRIED FODDER

6.1. Dehydrated Fodder

As part of the CAP reform proposal tabled in 1991, the Commission proposed the phasing out of support for dehydrated fodder. The support arrangements had been introduced in 1974, partly to compensate for the price support policies available to other agricultural activities and partly in response to the soya export embargo and the energy crisis. As a result of the new arrangements, dehydrated fodder production stabilised. However, following the adoption of a complex variable aid system in 1978, production started to rise and continued to do so throughout the 1980s. This rise in production, facilitated by the fact that no stabiliser was applied to this regime, resulted in a large increase in expenditure.

6.2. The Council accepted that the regime was becoming excessively costly, but did not wish to proceed to the full elimination of this scheme. Instead, in 1992, it invited the Commission to submit "proposals to continue the annual reduction in aids in this sector, taking account of the specific situation in the sun-drying sector" and to determine whether "for 1994/95 and future years, support for producers of these products should be either on the basis of a continuation of the specific aid or by inclusion of these products in the general framework of arable crops aids". The Commission and the Council agreed to defer the implementation of any new arrangements until 1995/96 to permit further study and consideration of the subject.

6.3. The Commission has taken advantage of this time to reflect further on the problem in the light of contacts with the industry and experience of the first year of the reform, where the existing dried fodder system and the new arable crops regime have applied simultaneously.

6.4. Both the industry and the Commission have concluded that, by its nature this product, which is the result of processing different kinds of raw material, is not suited to inclusion in the arable products regime. On the other hand, the Commission does not consider it justified that in relation to the same plot of land and in the same year producers should benefit both from the support provided under the dried fodder scheme and from the aids decided in the context of the reform of the CAP.

6.5. As regards the aid system itself, the Commission believes that, in the interests both of economic rationality and administrative simplification, the level of aid should be reduced and the system for adjusting it in relation to a rather abstract and complex calculation of prices of an alternative basket of products should be eliminated. Moreover, the aim should be to achieve more stringent quality criteria by raising the minimum level for proteins.

6.6. The revised system would be similar to that set up in the 1970s and would involve:

- from 1 May 1994, the restriction that dehydrated fodder may only be produced from plots of land which have not been used, during the same year, as a basis to claim the compensatory payments or premiums available following the reform of the arable and livestock sectors;
- from 1 April 1995, a simple flat rate aid payment, sufficient to cover the energy costs of dehydrating a green crop, would be payable. This amount should be ECU 40/t in respect of fodder which is artificially dehydrated and ECU 20/t for sun-dried fodder; the minimum protein content in order to qualify for aid would be increased from 15 % to 17 %;
- after a first transitional year, the control and administration of this simplified scheme would be integrated within the Community's existing Integrated Administration and Control Regulation so as to ensure, in particular, a better control on the source of the raw material on the basis of which aid may be claimed.

7. FIBRE PLANTS

7.1. Cotton

- 7.1.1. Under Article 5 of Regulation (EEC) No 2052/92 the Commission is to present a report by the beginning of the 1996/97 marketing year on the operation of the cotton aid system, together with any proposals for changes required.

The Commission also confirmed, in connection with the compromise reached by the Council on 16 December 1993 its intention to look into specific problems in the cotton sector in a spirit of fair management, i.e. to consider whether it would be appropriate to divide the maximum guaranteed quantity between the producer Member States. Before drawing conclusions on the matter, the Commission considers that there needs to be an evaluation of the effects of the measures decided for cotton under the 1993/94 prices package.

The Commission intends, therefore, to present its conclusions to the Council on this issue later this year and, at the same time, make the report on the market situation which was referred to in the Council conclusions on the 1993/94 prices package.

- 7.1.2. In the light of the foregoing, the Commission recommends that the maximum guaranteed quantity for 1994/95 be kept at 701 000 t of unginning cotton, the guide price at ECU 101.46 and the minimum price at ECU 96.39.

Whilst pursuing its deliberations on the future aid system, the Commission also proposes improvements to the provisions concerning the system in force with a view to discouraging possible fraud. Under the current system, the aid is granted in respect of unginning cotton, for the incoming quantity placed under supervision, adjusted on the basis of the moisture content or impurities recorded. This quantity should correspond to the quantity actually delivered, but in practice exceeds it, the aim being to obtain a larger amount of aid. To prevent this, it is proposed to establish a link with the outgoing quantities, checks on which are already provided for by Community legislation (stock record). Accordingly, as from the 1994/95 marketing year, aid for unginning cotton would be granted in respect of the smaller of the following two quantities:

- on the one hand, the quantity of unginning cotton placed under supervision;
- on the other, the quantity of unginning cotton calculated as the quantity of fibre obtained divided by the standard quality yield (32 %).

Any quantity undelivered but included among the quantities placed under supervision would therefore henceforth be excluded from the aid on the grounds of a shortfall of fibre from the undelivered quantity. Moreover, the weight on which aid is payable in the case of cotton whose fibre content exceeds 32 % (due to the fact that its moisture and impurities content is below the standard) will not be reduced in relation to the current situation.

- 7.1.3. The Commission notes an undesirable increase in the number of small producers and the area they sow to cotton. Although expenditure on the aid scheme for producers is not increasing, it can be said that the objective of assisting the very small producers is not being achieved. The Commission therefore declares its intention to restrict aid to small producers growing cotton for their own account.

7.2. Fibre flax

- 7.2.1. The Commission feels there are grounds for thinking that thanks, on the one hand to a decline in supply, mainly as a result of the decrease in Community areas under flax, and, on the other hand, to a revival of demand, the balance between supply and demand will be restored during the 1993/94 marketing year.

It is therefore proposed that the amount of the aid be kept at ECU 774.86/ha for 1994/95. Given the need to keep promotion measures at a sufficient level to contribute to a lasting market equilibrium, it is recommended that the part of the aid which is not granted to producers but goes on financing promotion schemes be maintained at ECU 44.42/ha.

- 7.2.2. It is possible that the present situation on the market in flax and foreseeable developments and the fact that fibre flax is not included in set-aside may encourage producers to expand the areas sown to fibre flax. The Commission wishes to take this opportunity to make it clear to fibre flax producers that if Community production were to increase in such a way as to jeopardize the market equilibrium that has eventually been achieved, appropriate measures would be proposed to preserve that equilibrium. The Commission might therefore be inclined to propose that fibre flax be included in the arable crops regime or that a system of maximum guaranteed areas based on the area grown in 1992/93 be introduced.

7.3. Hemp

The growing of hemp in the Community has picked up slightly under the influence of an improvement in the market for short flax fibres.

The Commission therefore proposes that the amount of the aid be kept at ECU 641.60/ha for 1994/95.

7.4. Silkworms

The Commission is of the opinion that maintaining the amount of the aid at ECU 110.41 per box for 1994/95 will enable this activity to be continued in the few areas of the Community where it is practised.

7.5. Linseed

- 7.5.1. Under Article 6a of Regulation (EEC) No 1765/92, as amended by Regulation (EEC) No 1552/93⁽¹⁾ a compensatory payment is to be fixed for the marketing years after 1993/94.
- 7.5.2. As part of the 1993/94 prices package the Commission proposed that an amount of ECU 75/ha (making a total of about ECU 450/ha) be applied from the 1994/95 marketing year. For 1993/94, as a transitional measure, however, an amount of ECU 87/t (making about ECU 525/ha) was proposed. The Council preferred to fix the compensatory payment for 1993/94 only and defer until the following year any decision on the amount applicable from 1994/95 onwards.
- 7.5.3. The Commission thinks that the decrease in the area sown to linseed observed in 1993 is due to uncertainty among producers as regards the future aid system rather than insufficient profitability of this crop compared with competing crops.

Nonetheless, having regard to the profitability of linseed, the Commission proposes that the compensatory amount be set at a slightly higher level than that proposed last year, namely ECU 78/t.

(1) OJ No L 154, 25.6.1993, p. 19.

8. WINE

Following on from its communication on the development and future of wine sector policy (COM(93) 380 final of 22 July 1993), the Commission is preparing its proposal on reform of the common market organization. The proposed measures make the fixing of guide prices superfluous. A proposal in the prices package might therefore not be necessary. However, in view of the fact that the Council may not subscribe to the proposed measures or may be unable to reach a decision in time for the change to be implemented for the 1994/95 marketing year, the Commission considers it prudent to include a proposal in the prices package so as to avoid a legal vacuum.

8.1. Prices

The Commission proposes that the guide prices remain unchanged for the 1994/95 marketing year.

8.2. Related measures

Pending the establishment of the new market organization for wine, it is proposed that certain time limits set by regulations be extended for the 1994/95 marketing year, concerning:

- the submission of reports on the delimitation of wine-growing zones, enrichment, the relationship between structural measures and compulsory distillation (study being presented to the Council), sulphur dioxide content of wines, sparkling wines and liqueur wines and arrangements whereby producer groups can be regarded as producers for the purposes of compulsory distillation contracts;
- the laying down of rules for calculating the quantities to be distilled for each production region (uniform percentage and reference year) authorised following the Dublin compromise, but deferred until 31 August 1994 and the derogation granted for compulsory distillation to be applied according to special rules in Greece;
- the trial period for certain deacidification practices;
- the period (already extended last year until 31 August 1994) during which a proportion of the aid for juice production from grape must can be assigned to the promotion of grape juice.

9. Fruit and vegetables

9.1. Basic and buying-in prices

Under Article 16 of Council Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables, the Commission has to propose a basic price and a buying-in price each year for each of the products listed in Annex II to the said Regulation, i.e. cauliflowers, apricots, nectarines, peaches, lemons, tomatoes, aubergines, pears, table grapes, apples, satsumas, mandarins, clementines and oranges.

Pending its proposals on a reform of the common market organizations for fresh and processed fruit and vegetables, the Commission proposes that the basic and buying-in prices be kept at their present level. The Commission will take appropriate action if it emerges that intervention thresholds have been exceeded when the final withdrawal figures for the 1993/94 marketing year are known.

10. MILK AND MILK PRODUCTS

10.1. Extension of the 1993/94 marketing year

Under the CAP reform, the Council fixed the target price for milk and the intervention prices until 30 June 1995. However, since the 1993/94 marketing year ends on 31 March 1994, the Commission proposes that, like last year, the marketing year be extended until 30 June 1994 so as to keep the fixing of the threshold prices, which is linked to the marketing year, consistent with the level of institutional prices fixed from 1 July to 30 June of the following year.

10.2. Fixing of total guaranteed quantities

At the same time as the prices, the Council also decided on 21 May 1992 on the principle of an additional 2% reduction in the total guaranteed quantities, spread over the periods 1993/94 and 1994/95, subject to revision in the light of the general market situation and particular situations in certain Member States. The market analysis presented by the Commission in March 1993 led the Council to postpone the 1% reduction in the total quantities decided for 1993/94 and to agree to re-examine its entry into effect on the same date as that decided in principle for the period 1994/95, on the basis of a new Commission report in March 1994. The Commission should accordingly propose a 2 % reduction of milk quotas and that the total guaranteed quantities allocated to Greece, Italy and Spain be maintained or revised for the period 1994/95. It does not propose that this be done as part of the present price package, but reserves the right to make such proposals subsequently in the light of the report on the general market situation and particular situations in certain Member States which it will present to the Council in March 1994.

10.3. Prices

The steady decline in consumption of butter in the Community is causing long-term difficulties on the market, further aggravated by the increasing fat content of the milk produced. The Commission thus proposes that the reduction in the intervention price for butter already decided by the Council for the period 1994/95 be increased by a further 3% so as to improve the competitive position of butter and milkfats, encourage consumption and curb the trend of increasing fat content of milk. The target price for milk is fixed accordingly.

10.4. Related measures

- a) With the aim of simplifying the relevant rules and rationalizing intervention for butter, the Commission proposes that the Council establish a single definition for intervention butter. Such a proposal seems all the more opportune as methods for determining the quality of butter now exist and are recognized at international level and in the Community.
- b) The Commission proposes that the arrangements for intervention buying-in of cheese be abolished. Experience has shown that this measure is not appropriate for improving the market and that the objective of market stabilization can be attained by means of private storage aids.

11. BEEF AND VEAL

11.1. Prices

It is proposed that the marketing year be extended to 30 June 1994 and that the guide price for 1994/95 be kept at the same level as in 1993/94, i.e. ECU 197.42/100 kg live weight. As regards the intervention price, the second 5% cut decided on as part of the reform (Regulation (EEC) No 2068/92) will bring the intervention price to ECU 304.71/100 kg carcass weight (quality R3) for the period 1 July 1994 to 30 June 1995.

11.2. Premiums

Under the reform provisions incorporated into Regulation (EEC) No 805/68, the special premium for male animals will be raised during the 1994/95 marketing year to the level of ECU 75 in 1994 and ECU 90 in 1995 and the suckler cow premium to ECU 95 in 1994 and ECU 120 in 1995. The stocking density factor, on the other hand, will be reduced to 3 LU/ha in 1994 and 2.5 LU/ha in 1995.

Nonetheless, as the Commission has already indicated in its report on the beef and veal sector at the end of November, the number of animals included in the regional references for male cattle premiums exceeds the number of premiums granted in previous years by over 30% generally and in some Member States by as much as 50%. This unexpected result, the reason for which lies in the possibility of taking 1992 as the reference year has meant that the objectives of the reform, i.e. to curb production and stabilise expenditure, will not be attained. The Commission therefore proposes that the relevant provisions concerning the special premium for male cattle in the basic Regulation (Article 4b(3)) be amended, laying down that the Member States may choose 1989, 1990 or 1991 as the reference year, but not 1992.

Finally, as regards the male cattle premium, Article 4b(2) lays down that the second premium payment can be made when the animal reaches the age of 22 months. This applies mainly to bullocks as bulls are generally slaughtered before the age of 18 months. A 22-month old bull has most likely passed the optimum fattening age and is liable to produce a carcass of lower commercial value. The Commission therefore proposes that the second premium payment be restricted to bullocks aged 22 months. The purpose of this provision is to deter producers from continuing fattening bulls simply in order to obtain the second premium, thereby producing carcasses of lower commercial value.

12. SHEEPMEAT AND GOATMEAT

12.1. Prices

The institutional prices for the 1994 marketing year were fixed in the 193/94 prices package.

For 1995/96 the Commission proposes that the basic price remain at the level already decided for 1994/95.

12.2. Private storage aid

The Commission proposes that the seasonal adjustment of the basic price serving to trigger private storage measures be kept unchanged. However, in the light of experience gained, the Commission proposes that, when the price conditions are met, an invitation to tender for private storage aid be made optional. This will enable the commission to decide, in consultation with the Management Committee concerned, whether it is appropriate to issue an invitation to tender for private storage aid, avoiding periods of the year when private storage aid would prove inopportune. This option does not represent any change in the policy followed hitherto as the Management Committee has regularly delivered an opinion rejecting tenders at such periods. This measure has the twin advantages of administrative simplification and avoiding the pointless submission of tenders by operators.

13. PIGMEAT

The basic Regulation for pigmeat provides for the fixing of a basic price. Its level is primarily meant to indicate the level of prices at which the market will be in balance, i.e. which contributes towards stabilizing market prices without, however, leading to structural surpluses. The only operational purpose of the basic price is to provide a trigger for possible private storage aid. Such a scheme may be initiated when the average market price in the Community falls below 103 % of the basic price. The basic price is in force from 1 July to 30 June.

For the period July 1993 to June 1994 the basic price for pig carcasses of standard quality was fixed at 1872.00 ECU/t.

Over the years the basic price has been allowed to deviate considerably from its intended level and it has thereby become operationally irrelevant. It is therefore appropriate to propose a significant reduction in the basic price to bring it back to its original purpose of indicating the proper point of market balance.

Such a reduction in the basic price does not entail any reduction in market prices, because of its limited function.

The price for pig carcasses at which the EU-market would be in balance may be estimated to be around ECU 1200/t, taking into account in particular the anticipated further reduction in grain prices.

However, in view of the difficult situation of the soya bean market following a poor harvest in the USA and its impact on the cost of feed, it is proposed to fix the level of the basic price for the marketing year 1994/95 at ECU 1300.00/t.

The definition of standard quality of pig carcasses should remain at:

- (a) carcass weighing 60 kg to less than 120 kg: grade U;
- (b) carcass weighing 120 kg to 180 kg: grade R.

14. Tobacco

The reform of the common market organization for tobacco is applicable from the 1993 harvest. Its central management instrument is a system of quotas and premiums. For the 1994 harvest Regulation (EEC) No 2076/92 fixed the quotas per group of tobacco varieties and per Member State. On the other hand, the premiums for the 1994 harvest have not been fixed.

At this stage only provisional conclusions can be drawn from the application of the new regime in its first year, given that this harvest marks a transition from the old to the new system and not all the data required for a complete analysis are available as yet. The Commission therefore considers that the premiums and additional amounts should be kept at their 1993 level for the 1994 harvest, bearing in mind the reduction resulting from the monetary realignments.

Price proposals in ecus for individual products

Product and type of price or amount (Period of application)	1993/94		Proposals	
	Decisions (1)		1994/95	
	Amounts in ECU/T	% change	Amounts in ECU/T	% change
1	2	3	4	5
Cereals 1.7.94-30. 6.95				
- Target price	128,32	-	118,45	-7,7
- Intervention price	115,49	-	106,60	-7,7
- Threshold price	172,74	-	162,87	-5,7
- Compensatory payment (2)	25	-	35	+40
Rice 1.9.94-31. 8.95				
- Target price - husked rice	530,60	-2,74	530,60	0
- Intervention price - paddy rice	309,60	-1,30	309,60	0
- Aid for Indica (ECU/ha)	98,71	-50,00	-	-
Potato starch 1.7.94-30. 6.95				
- Minimum price	205,31	-15,8	189,52	-7,7
- Compensatory payment	40	-	56	+40
- Aid	18,43	-1,3	18,43	0
Sugar 1.7.94-30. 6.95				
- Basic price for sugar beet	39,48	-1,30	39,48	0
- Intervention price for white sugar (3)	52,33	-1,28	52,33	0
Olive oil 1.11.94-31.10.95				
- Producer target price	3.178,2	-1,0	3.178,2	0,0
- Intervention price	1.919,8	-4,9	1.526,0	-20,5
- Representative market price	1.900,6	-0,6	-	-
- Production aid (4)	881,8	+4,8	1.275,6	+44,7
- Consumption aid	395,8	-13,5	-	-
Dried fodder - Guide price(5) 1.5.94-31. 3.95	176,37	-1,3	175,62	-0,4
Linseed 1.7.94-30. 6.95				
- Compensatory payment (2)	85	-	78	-8

(1) Account taken of the agrimonetary corrections. For Spain and Portugal, the amounts could be slightly different in 1993/94 for certain products.

(2) To be multiplied by the customary regional cereals yield to obtain the payment in ECU/ha.

(3) ECU/100 kg.

(4) For Spain and Portugal, the proposed production aid is ECU 1166,4/t, i.e. an increase of 75, . compared with 1993/94.

(5) It was decided to reduce the aid coefficient by 30% over 3 years, using a coefficient of 90% in 1991/92, 80% in 1992/93 and 70% in 1993/94 and 1994/95. For 1995/96, fixed-rate aid of ECU 40/t for dehydrated fodder and ECU 20/t for sun-dried fodder is proposed.

Price proposals in ecus for individual products

Product and type of price or amount (Period of application)	1993/94 Decisions (1)		Proposals 1994/95	
	Amounts in ECU/T	% change	Amounts in ECU/T	% change
	2	3	4	5
1				
Linseed 1.8.94-31. 7.95 - Fixed-rate aid (fibre) (per ha)	774,86	-1,3	774,86	0
Hemp 1.8.94-31. 7.95 - Fixed-rate aid (per ha)	641,60	-1,3	641,60	0
Silkworms 1.4.94-31. 3.95 - Aid per box of silk seed	110,41	-1,3	110,41	0
Cotton 1.9.94-31. 8.95 - Guide price	1.014,6	-1,3	1.014,6	0
- Minimum price	963,9	-1,3	963,9	0

Milk 1.7.94-30. 6.95 - Target price	260,6	-2,8	254,1	-2,5
Butter - Intervention price	2.803,3	-4,3	2.663,1	-5,0
Skimmed-milk powder - Intervention price	1.702,0	-1,3	1.702,0	0

Beef/veal 1.7.94-30. 6.95 - Guide price for live adult bovine animals	1.974,2	0	1.974,2	0
- Intervention price R3 carcasses	3.216,4	-5%	3.047,1	-5%
	1993		1994	
- Male bovine animal premium (calendar year) (2)	60	-	75	+25
- Suckler cow premium (calendar year) (2)	70	-	95	+36

	1994		1995	
Sheepmeat 2. 1.94- 1. 1.95 - Basic price (carcase weight)	4.174,5	0	4.174,5	0

- (1) Account taken of the agrimonetary corrections. For Spain and Portugal, the amounts could be slightly different in 1993/94 for certain products.
- (2) In ECU/head. The required density changes from 3,5 to 3 LU/ha. The other premiums (deseasonalization, calf conversion, extensification) are maintained at the level set in the May 1992 reform.

Price proposals in ecus for individual products

Product and type of price or amount (Period of application)	1993/94 Decisions (1)		Proposals 1994/95	
	Amounts in ECU/T	% change	Amounts in ECU/T	% change
	2	3	4	5
Pigmeat - Basic price (carcase weight)	1.7.94-30. 6.95 1.872	-1,3	1.300	-30,5

Fruit and vegetables - Basic price				
- Cauliflowers	1. 5.94-30. 4.95	)	0	0
- Tomatoes	11. 6.94-30.11.94	)	0	0
- Peaches	1. 6.94-30. 9.94	)	0	0
- Lemons	1. 6.94-31. 5.95	)	0	0
- Pears	1. 7.94-30. 4.95	)	0	0
- Table grapes	1. 8.94-20.11.94	)	0	0
- Apples	1. 8.94-31. 5.95	)	0	0
- Mandarins	16.11.94-28. 2.95	)	0	0
- Sweet oranges	1.12.94-31. 5.95	)	0	0
- Apricots	1. 6.94-31. 7.94	)	0	0
- Aubergines	1. 7.94-31.10.94	)	0	0
- Clementines	1.12.94-15. 2.95	)	0	0
- Satsumas	16.10.94-15. 1.95	)	0	0
- Nectarines	1. 6.94-30. 8.94	)	0	0

(SEE NEXT PAGE)

Table wine (2)	1. 9.94-31. 8.95				
- Guide price Type R I		3,17	0	3,17	0
- Guide price Type R II		3,17	0	3,17	0
- Guide price Type R III		51,47	0	51,47	0
- Guide price Type A I		3,17	0	3,17	0
- Guide price Type A II		68,58	0	68,58	0
- Guide price Type A III		78,32	0	78,32	0

Tobacco (Premiums)					
I. Flue cured		2.244	-	2.244	0
II. Light air cured		1.795	-	1.795	0
III. Dark air cured		1.795	-	1.795	0
IV. Fire cured		1.974	-	1.974	0
V. Sun cured		1.795	-	1.795	0
VI. Basmás		2.961	-	2.961	0
VII. Katerini		2.512	-	2.512	0
VIII. Kaba Koulak		1.795	-	1.795	0

(1) Account taken of the agrimonetary corrections. For Spain and Portugal, the amounts could be slightly different in 1993/94 for certain products.

(2) R I, R II and A I expressed in ECU/%/hl.
R III, A II and A III expressed in ECU/hl.

Fruit and vegetables

Basic price

(ECU/100 kg net)

	1 9 9 3						1 9 9 4					
	June	July	August	Sept.	October	November	Dec.	January	February	March	April	May
	Cauliflowers	24,92	22,13	22,13	23,90	24,79	29,82	29,82	29,82	27,82	29,26	29,62
Tomatoes	(11-20) 28,41 (21-30) 25,87	23,34	20,93	22,20	23,53	28,28	-	-	-	-	-	-
Aubergines	-	17,74	17,74	17,74	17,74	-	-	-	-	-	-	-
Peaches	45,31	42,92	42,92	42,92	-	-	-	-	-	-	-	-
Nectarines	59,07	54,69	54,69	-	-	-	-	-	-	-	-	-
Apricots	41,68	41,68	-	-	-	-	-	-	-	-	-	-
Lemons	42,47	43,48	43,05	38,67	36,50	35,49	34,86	35,87	34,61	36,00	37,65	38,53
Pears	-	28,62	26,72	25,57	26,59	26,98	27,35	27,60	27,60	27,60	27,60	-
Table grapes	-	-	36,25	32,45	32,45	(1-20) 32,45	-	-	-	-	-	-
Apples	-	-	26,46	26,46	26,46	27,17	29,56	31,96	31,96	31,96	31,96	31,96
Mandarins	-	-	-	-	-	(16-30) 36,85	36,47	35,97	34,31	-	-	-
Satsumas	-	-	-	-	(16-31) 28,65	25,41	27,57	(1-15) 26,49	-	-	-	-
Clementines	-	-	-	-	-	-	33,76	31,57	(1-15) 36,33	-	-	-
Sweet oranges	-	-	-	-	-	-	34,36	30,81	31,43	33,34	33,97	33,97