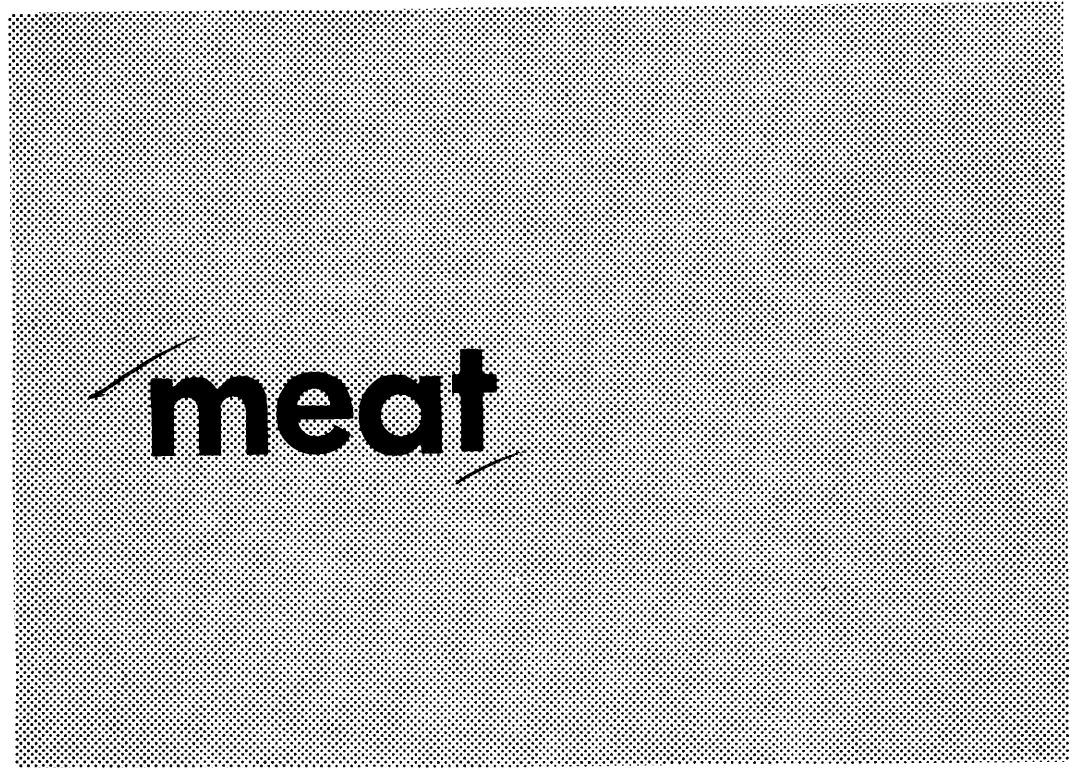


CAP WORKING NOTES



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CAP WORKING NOTES



CAP WORKING NOTES

MEAT

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A round-up of the important statistical tables carried in the
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Important note to the reader

This issue of CAP WORKING NOTES is of a somewhat wider scope than originally intended, in that the original idea was to deal only with beef and veal. Instead, after valuable input from colleagues, the idea grew to encompass all the major meat sectors; my thanks to them for their help.

As with previous issues, the purpose of this document is to gather relevant information from the plethora of EC documents to try to present an overall picture of the sector covered. In all cases, the information contained in the series has already been published. With some of the source documents, notably Green Europe, being several years old, care must be exercised in interpretation and use of the material.

This document is not designed to be historically exhaustive or definitive, and should never be considered as such.

In order to simplify the bibliographic references which precede each chapter, a full list of documentary sources is included. The title page of each chapter will show the general nature of the different sections, followed by a numerical reference which should be compared with the list.

Further copies of this or any other issue in the series, is available upon request to the address below.

Sectors covered by this series so far, are;

1. Milk and milk products
2. Cereals & rice
3. Wine
4. Meat

All titles will eventually be available in English and French.

George White

Documentation Centre for DG VI

Berlaymont 5/120

Commission of the European Communities

List of Documentary sources used in this issue of CAP WORKING NOTES.

- (1) Green Europe, no. 188, published December 1981.
"Mechanisms of the common organisation of agricultural markets -
Livestock products".
- (2) Document COM(84) 767 final, published January 30, 1985.
"The situation in the agricultural markets - Report 1984. Report
from the Commission to the Council".
- (3) Document COM(83) 500 final, published July 28, 1983.
"Common Agricultural Policy - Proposals of the Commission".
- (4) Green Europe Newsflash no. 27, published April, 1984.
"Agricultural prices 1984/85 and rationalisation of the CAP -
Council decisions".
- (5) Document COM(85) 50 final, published January 30, 1985.
"Commission proposals on the fixing of prices for Agricultural products
and related measures 1985/86 - Volume I, Explanatory Memorandum".
- (6) The Agricultural situation in the Community - 1984 Report. Published
January 1985.

PART I

1. General introduction to the "common organizations" of agricultural products. (1)
2. The markets for Agricultural products. (6)
3. A picture of the meat markets. (2)

INTRODUCTION

For marketing purposes, almost all the European Community's agricultural production comes under what are known as "common organizations."

Since the Community's arrangements for sheepmeat entered into force in October 1980, the only important products still not accounted for are potatoes and alcohol, and some years have already been spent on discussion of these two sectors.

Applied on a uniform basis throughout the Community for each product, the management rules have special features varying according to the characteristics of the various products. There are four main types of common organization, covering altogether more than 95 % of agricultural production.

- More than 70 % of the products are covered by arrangements providing guarantees, in one form or another, as regards disposal and prices.

For the main cereals, sugar, milk products, beef/veal, and, since 1980, sheepmeat, an intervention system is operated : whenever market prices fail to match a given price, intervention agencies must buy in, at that price, all quantities offered by storers. The agencies sell them again when the market recovers or try to find another outlet, for example by export. For other products - pigmeat, certain fruits and vegetables, table wines - market support is based, in practice, on more flexible measures, like storage aid, withdrawals by producers' groups and distillation aids.

- About 25 % of production - other fruits and vegetables, flowers, wine other than table wine, eggs and poultry - is covered by arrangements based essentially on external protection. The arrangements are confined, in these cases, to protection of Community production from fluctuations on the world market by instruments such as customs duties, or levies, which are, as it were, variable duties. In some cases the duties or levies are charged only during certain periods of the year.

- Supplementary aids are granted to a number of products : durum wheat, olive oil, certain oilseeds, and tobacco. These aids, confined to products of which the Community consumes more than it produces, enable consumer prices to be kept relatively low while ensuring a minimum income to producers. They may be combined with certain forms of price or disposal guarantees.

- Flat-rate aids paid by the hectare or by quantity produced are paid for only a few products the scale of production of which is small : cotton-seed, flax, hemp, hops, silkworms, seeds, and dried fodder.

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But however diversified the mechanisms of the common organizations for the various products, the objectives, the fundamental principles and management are all based on a single approach.

The objectives are :

- improved productivity,
- equitable incomes for farmers, mainly achieved through the sale of their production,
- market stability and reliable supplies for the markets,
- reasonable consumer prices.

The following principles are those underlying the common organizations :

- a single market is set up, i.e. products may be moved unhindered within the Community. Customs duties, equivalent charges or subsidies distorting competition are not allowed. This also entails the introduction of common prices, the harmonization of administrative, health protection and veterinary regulations, common quality standards, and stable currency parities;
- the Community preference is an essential corollary of single markets. It means that the Member States give preference to Community production and protect themselves together, at the common external frontier, against sharp price fluctuations on the world markets and low-price imports;

- common financial responsibility is the practical expression of solidarity between the various regions of the Community and enables the common organizations to be operated as such. The key instrument for this is the European Agricultural Guidance and Guarantee Fund (EAGGF).

For certain agricultural products of which surpluses build up easily - mainly milk products and sugar - the principle of the financial "co-responsibility" of producers has been introduced in various forms.

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As the market organizations have been gradually introduced, the prices fixed for the agricultural products have become common prices. Each year, on the basis of proposals from the Commission, the Council of Ministers fixes common prices for the following season. The type of price is, of course, not the same for each product and also depends on the kind of guarantee it is desired to ensure.

Some prices are fixed with the main objective of controlling the Community's internal market (target prices, guide prices, intervention prices, etc.) while others have the main aim of ensuring Community protection and preference vis-à-vis external markets (threshold prices, sluicogated prices, etc.).

In the absence of a single European currency, the prices are denominated in ECUs, the common unit of account, which, if it is to be used properly, presupposes stable parities between the Member States' currencies. Because no such stability has been achieved in practice, price levels are in fact not the same in the various Member States.

Following the currency difficulties which have occurred since 1969, the authorities have had to introduce "monetary compensatory amounts" (MCAs) to offset, between the various Member States, the impact on the common prices of variations in currency exchange rates. By means of this device, the principle and system of common prices, and with them the principle of the single market, can be kept intact, so that as and when the relationships between the currencies become more stable, it will be possible to revert automatically to a more fully integrated market. The European Monetary System (EMS), set up in 1979, has enabled the MCAs then existing to be reduced quite sharply.

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Under the agricultural policy, a single system for trade across the common external frontiers has been introduced. This system has replaced all the schemes operated by the Member States, including quantitative restrictions. Its aims are :

- to protect Community agricultural prices against imports at lower prices, and
- to enable Community operators to participate in world trade, but of course international obligations are at the same time complied with.

The main instruments used for the implementation of the external trade arrangements are only three in number : import levies and/or customs duties, and export refunds.

The levies, related to the prices to be maintained within the Community, are designed to neutralize price fluctuations on the world market, and thus to stabilize the EEC markets. The levy is a variable charge and its role cannot be compared with that of the customs duty. If products from non-member countries are offered for import at the common frontier at prices falling short of those fixed by the Community, a levy bridges the gap.

If world supply prices exceed the threshold prices, the Community also has power to charge levies on its own exports in order to prevent European agricultural products being drained out on to the world markets and in order to ensure reasonable prices for Community consumers.

The export refunds are theoretically "refunds" of the import levies. They are designed to bridge the gap between the internal Community prices and world market prices, so that Community agricultural products can in fact be sold on world markets.

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The Commission manages the unified agricultural markets under the basic regulations and the implementing regulations adopted by the Council of Ministers. Management decisions taken by the Commission are referred beforehand to management committees. These committees, made up of representatives of the Member States but chaired by a Commission official, have been set up for the various groups of agricultural products covered by common

arrangements.

Advisory committees, bringing together representatives from the various interests concerned (producers, processors, dealers, paid workers, consumers), also assist the Commission in the management of the agricultural markets.

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MARKETS FOR AGRICULTURAL PRODUCTS

The following article is extracted from the Agricultural Situation in the Community - 1984 Report, published in Brussels, January 1985.

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Introduction

Detailed figures on developments in the markets for the individual agricultural products of the Community are presented in 'The situation of the agricultural markets - 1984 Report' (1) and in the tables labelled 'M' of this Report and in a previous chapter (Agricultural production and income) of this report.

This chapter reviews the main developments in agriculture and the agricultural markets since the Commission published its proposal for the 'Adjustment of the Common Agricultural Policy' in July 1983 (COM(83)500 final, 28 July 1983). (2) This review confirms the necessity to complete the adaptation of the CAP which the Council began on 31 March 1984.

Adaptation of the CAP became necessary because the incentives offered to producers were no longer consistent with the present and the foreseeable needs of the markets. Demand for many agricultural products is either stagnant or declining while the productive potential of European agriculture continues to increase. The three main approaches used to effect adaptation of the common market organisation are:

(1) Published as a "COM" document at the end of 1984, (COM(84) 767 final). The long-term outlook of supply and demand for agricultural products of the Community for meat are presented separately elsewhere within this issue of CAP WORKING NOTES.

(2) The editor has extracted the relevant chapters of this document and they are presented elsewhere within this issue of CAP WORKING NOTES.

- (i) the extension of guarantee thresholds to agricultural products where market imbalances exist, are likely to exist and/or where expenditure is growing rapidly;
- (ii) the pursuit of a restrictive price policy with particular attention being paid to the development of a more realistic hierarchy of prices;
- (iii) the improvement of market management through the development of more flexible instruments available at short notice.

The following review shows the extent to which these three lines of policy are now being implemented, but also the extent to which they need to be pressed further.

THE MEAT MARKETS (Tables M.14 to M.20, included in this issue of CAP WORKING NOTES in Part VII)

The Community meat markets are dominated by beef and pigmeat with significant consumption of sheepmeat and poultrymeat. While the patterns of livestock supply are specific to each meat, demand is integrated and there is increasing substitution between meats.

BEEF (Tables M.14)

Beef supply is characterized by a pluriannual cycle whose last trough occurred in 1982. Production in 1983 increased from 6.7 million tonnes in 1982 to 6.9 million tonnes and is expected to be at least 7.2 million tonnes in 1984. Increased availabilities in 1984 are primarily due to the cyclic pattern, with a modest increase attributable to increased cow culling taking place from the autumn onwards.

Market prices for beef have not increased significantly over the last year. While calf prices have remained firm, cattle prices have been depressed. The low prices for beef have reflected the high level of self-sufficiency. There has been a steady build-up of stocks (255000 tonnes in January 1983, 432 000 tonnes in January 1984 and 603 000 tonnes in October 1984), which has also depressed market prices.

The year 1984 was characterized by limited availability of beef in the other main exporting countries. In consequence, gross exports of Community beef were expected to reach a record level (probably more than 800 000 tonnes) despite reduced levels of export refunds. In response to the persistent depressed state of the market, in August the Commission introduced greater flexibility into the operation of intervention and a specially attractive private storage scheme to relieve the pressure on a depressed market. The result was that in spite of adverse market conditions, the fall in market prices was arrested.

An important related measure was adopted by the Council on 31 March. For an experimental period of three years, the Community will progressively apply a common classification scale for beef bought in. After a few months of operation, the result has been a significant step towards common price levels in the various regional markets.

The Council insisted on the renewal of the variable beef premium for the British beef market, which the Commission had proposed should lapse. In order to reduce the potentially distorting effect of this system on the Community and export markets, a "clawback" system was introduced in May 1984. The Commission will report to the Council on the operation of the revised system in time for the 1985/86 price review.

THE SHEEPMEAT MARKET (Tables M.19)

In October 1983, the Commission completed a review of the sheepmeat market (1). As a result the Commission proposed a number of changes in the market organizations. In the event, the Council failed to follow the majority of these recommendations, notably the proposal to fix the regime on a calendar year basis a year ahead, in order that producers would be better able to plan production and the introduction of a ceiling of the variable premium in the UK together with a minimum import price system

(1) COM(83) 585 final.

The Council did adopt a revised seasonal scale designed to provide an incentive to market lambs in Great Britain outside the period of glut in the summer months. This adaptation is designed to encourage more orderly marketing of sheep-meat throughout the year and is intended to benefit producers in all Member States. It is too early to say that the scheme has been an unqualified success. However, from the information available to date, total British producers' returns since the new scale was installed have certainly not declined. At the time of writing this Report, it is premature to say precisely what seasonal scale will be proposed for the next marketing year. It would seem prudent to study the results of the autumn marketing before arriving at conclusions. However, due consideration will be given to the argument that the drop in the seasonal scale at the beginning of the summer is unnecessarily abrupt.

THE PIGMEAT MARKET (TABLES M.15)

Pigmeat supply is characterized by a shorter cycle than that which prevails in the beef sector. At the end of 1983, market prices on an oversupplied market were reaching a disturbingly low level in some areas. In response, the Commission introduced a private storage scheme in January 1984 which successfully absorbed the temporary glut and ensured that adequate supplies were available later in the year when the downturn in the production cycle was expected. Over an 18-month period, pig producers' incomes had therefore been squeezed by relatively low market returns and input costs which had risen due to the steady increase in the value of the US dollar; however, they benefited in the last half of 1984 from the beneficial effects and from the decreasing costs of Community-produced feedstuffs.

A notable improvement in the integration of the European market has taken place over the period covered by this Report, with the progressive demobilization of the monetary compensatory amounts applicable in this market organization. The maximum net MCA payable on an intra-Community shipment has fallen from 17.4 points in March 1983 to 9.8 points in November 1983, to 6.8 points in November 1984 and will fall to 4.4 points in January 1985.

22. MEAT

1. Introduction

In 1982 production of all types of meat accounted for 34% of final agricultural output and was thus the Community's major agricultural activity. Its importance is underlined by the fact that 60% of the cereals used are fed to animals, mainly for the production of meat, while only 25% go to human consumption.

On the world scale, the Community accounts for about one sixth of total meat production, occupying third place among the world's leading meat producers, just behind China and the USA.

2. Production

After declining in 1982, gross Community production of meat (all types, including edible offal) went up by 2.1% in 1983 to a volume 1.6% greater than the average (24.1 million t) for the three previous years.

This was due in the main to a cyclical increase in production of 3.7% for beef/veal and 3.2% for pigmeat, and also to a 2.3% rise in sheepmeat production. Poultrymeat production on the other hand was down, for the first time since 1973, the drop of 2.6% resulting from adjustment to lower demand for frozen chicken in the Community and strong competition in the world market.

For 1984 it can be expected that total gross Community production will continue to increase, by roughly 2%, with beef/veal and sheepmeat production rising by 2.5% to 4% and pigmeat slightly up also, by 1%-1.5%, but with a drop for poultrymeat of 0.5%. As far as beef/veal is concerned there should be a cyclical increase in supply accentuated by large-scale slaughtering of females as a consequence of the measures taken at the end of March to limit milk production. Sheepmeat production is expected to increase particularly in the United Kingdom. Pigmeat supplies, which increased still further in the first half of the year, are now showing a downward trend. In the first half poultrymeat also showed a slackening off.

3. Consumption

After a steady increase in meat consumption up to an EEC average of almost 90 kg per head, 1981 was the first year showing a drop of more than 1 kg. This reduction was observed in nearly all Member States (with the exception of the Netherlands and Greece) as a consequence of the economic recession. In 1982 per capita consumption stood at the same level but revived slightly in 1983.

Through continuing to drop in France it has increased in Italy, Germany, the United Kingdom and Denmark. It is only in Italy, however, that the high level of 1980 has been exceeded. The 100 g rise in average Community consumption in 1982 was due mainly to a 10% increase in per capita consumption in Greece.

As far as the different types of meat are concerned it seems that the economic recession has had a harmful effect above all on beef/veal and to a lesser degree on sheepmeat consumption.

For the period 1981 to 1983 per capita intake of both was below the level of 10 years previously.

On the other hand, pigmeat and poultrymeat increased their share of total meat consumption (including offal) still further to 58.8% in 1983.

The trend of consumption will be above all dependent on the recovery of the economy, since this will set the trend of consumer incomes, and on the relative prices of the various types of meat. To judge from the estimates at present available total consumption may well increase in 1984 and 1985. In 1984 the rate of growth will be between 0.5% and 1% for pig- and poultrymeat and should be even higher for sheepmeat and beef/veal in view of the pronounced drop market prices for the latter.

4. Trade

Intra-Community trade in the various types of meat depends primarily on the differences in self-sufficiency between the individual Member States and thus varies according to their respective degrees of concentration of production and/or consumption. Intra-Community trade is more important in pigmeat and beef/veal (20% of total Community consumption) than in sheepmeat (10%) and poultry (9%).

Whereas for beef/veal and pigmeat the higher figure indicated more uniform levels of consumption (beef/veal: 23-33 kg in all the big countries) and/or some specialization in production of specific types of meat (bacon, store cattle, high quality beef), for sheepmeat as well as for poultrymeat there is a high production level in the main consuming countries.

After 20 years of growth from the establishment of the EEC, intra-Community trade is, generally speaking, slackening off at about one sixth of total consumption. This follows a period of more rapid expansion after the 1973 enlargement.

Regarding trade with non-member countries, recent years have shown a steady tendency to a fairly balanced situation, with the EEC becoming a net meat exporter for the first time in 1981. This was due to rising exports of poultrymeat, stable pigmeat exports, the appearance of beef/veal surpluses in 1980/81 and a simultaneous drop in sheepmeat and horsemeat imports.

1982 shows a more or less balanced situation for all meat (excluding offal), as a result of lower exports of all main types, in particular beef/veal and higher imports of beef/veal and sheepmeat. For 1983 and 1984 a tendency to somewhat higher net export figures can be observed in the beef/veal and pigmeat sector. Poultrymeat exports are in retreat in 1984.

It has to be emphasized, however, that the EEC has not only become a major exporter of poultrymeat, beef/veal and pigmeat, opening up new markets in the Middle East (poultrymeat, beef/veal) and the Far East (pigmeat), but is now also supplying poultrymeat, pigmeat and beef/veal to areas with a stockrearing tradition that as a result of agro-economic difficulties are now dependent on supplies from abroad. It still holds true that the EEC is also amongst the biggest world importers for both beef/veal and sheepmeat, having concluded for these products a number of preferential agreements not only with industrialized countries like Australia and New Zealand, but also with developing countries in Africa and South America.

PART II

1. Adjustment of the CAP - Commission proposals. (3)
2. Rationalisation of the CAP. (4)
3. 1985/86 Price proposals. (5)
4. The outlook for supply and demand of animal products. (6)

COMMON AGRICULTURAL POLICY : PROPOSALS OF THE COMMISSION

Communication of the Commission to the Council

INTRODUCTION

- 1.1 The Common Agricultural Policy constitutes one of the major achievements of the Community. In this domain, to a greater degree than in most others, competence for the execution of the common policy lies with the Community institutions, in accordance with the objectives of Article 39 of the EEC Treaty; and since a common policy implies common financial responsibility, its cost is borne to a large extent by the Community budget.

- 1.2 Agriculture plays an important role both in supplying food and in promoting development in poor and rich countries alike. The common agricultural policy has had considerable success. But Europe must adapt its agricultural policy. The adjustment of regulations adopted after difficult political compromises will require a firm political will. It will demand difficult decisions on the part of all the Community institutions, and an acceptance on the part of all the social and professional groups involved. The adaptation of the CAP is not a technical affair, but a political challenge. Europe is entitled to demand the necessary efforts of its rural Community and its food industry, provided that it offers them a well-defined and stable framework for their development. Moreover, the adaptation can be successfully accomplished only if the charge is distributed equitably between the different Member States, the different market organizations, and in general between the various interested parties.

- 1.3 It is normal that, in view of the future development of the Community, the agricultural policy should be examined and adapted, so that it can adequately fulfil its aims in the changed conditions now prevailing. The agricultural policy, like other policies, must respond to the need for the most efficient use of the Community's financial resources.

- 1.4 However, it must be emphasized that the budgetary costs of the CAP are a consequence of the measures adopted to implement its social and economic objectives. Those objectives, which include the assurance of a fair standard of living for the agricultural community, and the availability of supplies to consumers at reasonable prices, are common to agricultural policies in all developed countries of the world. The Community should pursue these objectives at a cost which is reasonable, and not disproportionate to the costs experienced in other countries.
- 1.5 It must also be understood that the specific conditions of agriculture distinguish it from other sectors in a number of ways. For example, the fact that agricultural markets, within and outside the Community, are subject to fluctuations outside the control of the Community, means that expenditure can vary unexpectedly.
- 1.6 For these reasons, the adaptation of the policy cannot be made according to exclusively budgetary criteria, but rather with the aim of fulfilling the fundamental objectives in the most cost-effective way. A cost-cutting exercise, conducted without regard to the social and economic consequences, would render no service to the development of the Community. It would lead to the fragmentation of the common policy, and to the reappearance in national budgets of expenditure now assumed by the Community.
- 1.7 The aim must therefore be to rationalize, not renationalize, the common agricultural policy. Only such an approach can give a good assurance of positive results.
- 1.8 It is in this spirit that the Commission has for a number of years advocated the adaptation of the agricultural policy. Already in October 1981 in its memorandum "Guidelines for European Agriculture" (doc. COM(81)608) the Commission outlined a programme for adapting the CAP to the new realities, both of general economic conditions and of the agricultural sector itself: this programme included a number of measures, and in particular the establishment of guarantee thresholds taking account of the long-term prospects for production, consumption and trade.

1.9 More recently, in June 1983, the Commission presented a further statement of its views in its communication "Further Guidelines for the Development of the CAP" (doc. COM(83)380). The Heads of State and Government, meeting in the European Council on 18 June 1983, requested that there should be an examination of the agricultural policy, taking account of a number of elements, and resulting in concrete steps to ensure effective control of agricultural expenditure (see text in Annex I). The Commission submits the present document in response to that request.

THE GENERAL CONTEXT

2.1 During the last two decades, since the creation of the common agricultural policy, the advance of technical progress and productivity in agriculture has been rapid. The long-term trend of increase in the volume of agricultural production in the Community has been 1,5 to 2,0% a year, while consumption has increased by about 0,5% a year. Consequently the Community has become more than self-sufficient for many of the principal products, and has come to rely increasingly on exports, or on subsidized sales within the Community, for the disposal of its production.

2.2 Meanwhile, the reduction in agricultural employment has also been rapid. There are now approximately 8 million persons employed in agriculture in the ten Member States, and 5 million farms of 1 hectare or more. This development has been accompanied by an increase in part-time farming, in different ways in the different Member States. The Community must take account of this factor in taking its decisions concerning agriculture.

2.3 Despite the support afforded by the common agricultural policy, incomes from agricultural employment have increased less rapidly than other incomes since 1973. There remain large differences in the level of agricultural incomes between types of farming, between regions, and between Member States. The high rates of inflation, and the divergences of inflation between Member States, have also created problems for the CAP.

- 2.4 In these difficult economic conditions, the Community nevertheless remains the world's largest importer of food. It has maintained for several agricultural products a particularly liberal import system (entry at zero or reduced rates).
- 2.5 After a relative stabilization of expenditure from the Guarantee Section of the EAGGF in the period 1980-82, during which less was spent than provided for in the budgets, mainly because of the favourable conjuncture on world markets, an abrupt change has been experienced in 1983, when expenditure is expected to be about 30% higher than in the preceding year. The tables in Annex II show the development of this expenditure, including the share represented by each product sector, and by each type of expenditure. The rate of growth of agricultural expenditure, taken over a period of years, is now higher than the rate of increase in the Community's own resources.
- 2.6 The Commission underlines that the situation cannot be remedied by short-term palliatives, or economies of an ad hoc nature. Only determined action to adapt the CAP in a rational long-term framework can serve to place the agricultural policy in a sound economic and financial context for the coming years.

2.7 The adaptation necessary in European agriculture is only part of the general adaptation of our society, faced with technological progress and a rate of economic growth lower than in earlier years. The diverse structure of agriculture in the Member States is the inheritance of many generations, and its well-being is essential to the fabric of rural life. But its well-being can be ensured only by a better integration into the economy as a whole, not by its isolation from the underlying factors which are affecting modern society.

2.8 Two factors of particular importance are the following:

- Because of the lower rate of increase of population, overall demand for food in the Community will increase less rapidly than in the past. On world markets the capacity to pay - that is, effective demand - will depend on economic growth and credit possibilities, which are uncertain. The Community must continue to play an important part in food aid, but it must also encourage the developing countries to satisfy more of their food requirements from their own resources by the development of food strategies.
- Thanks to scientific research and development, there is a constant improvement of crops and breeds of animals, machinery and techniques which mean that the factors of production can be combined more and more efficiently and at lower real cost. These trends will continue and even accelerate in the coming years.
- The development of new technology has led, particularly in the case of animal production, to the setting up of agricultural enterprises for which land is no longer a limiting factor. There is a risk that this development may aggravate the problems of overproduction which have been experienced in the milk sector. The Commission has taken account of this aspect in the proposals which it makes on the subject.

2.9 The adaptation of the CAP must not ignore the consequences of agricultural activity for the industries upstream and downstream of agriculture itself. The development of agriculture must necessarily be integrated more fully into the overall chain of economic activity which first provides the requisites for production, and then carries food and raw materials from the farmgate to the factory, the shop, and the table. In modern economic conditions, a common agricultural policy can hardly exist except within the broader concept of a common food policy. It must be remembered also that the Community's agricultural exports are increasingly in the form of processed products, rather than basic agricultural products. This trend, which means that a greater share of value-added (and therefore employment) is generated within the Community, must be encouraged.

2.10 Another development which has manifested itself in the last decade is the use of agricultural materials as a source of organic chemical products. The development of biotechnology represents an important challenge for the future, and if this activity is to be developed within the Community, it is essential that the provision of Community raw materials should be assured in the same conditions of competition as for its external competitors.

2.11 Other domains where the Community must promote the most efficient use of its resources of land and labour are the development of materials for use as energy (biomass) and the production of the forestry sector. Since the Community is deficient in both energy and wood products, these two domains represent real possibilities for alternative activity and employment in the rural regions.

2.12 The Commission intends to make suggestions on the relationship between agricultural policy and fundamental research. For this purpose, what is required is a system for forecasting the fundamental changes which may take place in the medium and long term, and also an examination of the possibilities for new outlets for agricultural production, particularly for products in surplus.

2.13 Agriculture, as the inheritor and guardian of the rural environment, contributes to the well-being of the vast majority of the population who live in urban conditions but wish to enjoy and preserve Europe's traditional landscape, flora and fauna. For these reasons the development of agriculture must continue to be made in a way which reconciles the interests of human recreation, and the protection of habitats and species, with the economic interests of those who live and work in the country.

2.14 It cannot be the Community's aim to stop the development of its agriculture. But in view of the future perspectives, the Community has no choice but to adapt its policy of guarantees for production. If Community agriculture is to succeed - as it should - in expanding its exports and maintaining its share of world markets, it must increasingly accept the market disciplines to which other sectors of the Community's economy are subject. In this dynamic approach, which rejects any Malthusian limitation of agriculture's potential, the accent must be placed more and more on production at a competitive price. Hitherto, the price guarantees for most products have been unlimited in nature. This situation cannot continue, if the CAP is to develop on a rational basis.

RATIONALISATION OF THE MARKET ORGANISATIONS

Guarantee thresholds

- 3.1 The stagnation or decline in demand, both in the Community and on external markets, for important products such as milk, wheat, beef and wine, confirms the diagnosis already made by the Commission in its memorandum "Guidelines for European Agriculture" of October 1981. It is no longer reasonable to provide unlimited guarantees of price and intervention when there is doubt about the possibility of outlets in the coming years. In other words, Europe's agricultural producers must understand that they will have to participate more fully in the cost of disposing of production beyond a certain threshold. The measures necessary to ensure respect of such guarantee thresholds constitute the centrepiece of the Commission's proposals.
- 3.2 Guarantee thresholds can be applied by different procedures according to the product concerned. For example, thresholds can be applied by
- (a) lowering the increase in the target price or intervention price if production exceeds a global quantum;
 - (b) limiting the aids paid under the market regulation to a global quantum;
 - (c) participation of producers, by means of a levy, in the cost of disposing of additional production (or in the cost of net exports);
 - (d) quotas at national level, or at the level of the enterprise.

A choice is therefore necessary, in the light of the situation in each sector, as to which procedures should be applied.

3.3 All these various modalities have in fact been used, in differing degrees, in the context of the existing market organizations. For example, the approach at (a) was followed in the decisions taken by the Council concerning the common prices for cereals and milk for 1983/84; the modality under (b) exists in the market organization for cotton (and has been proposed for dried raisins); the coresponsibility levy introduced for milk in 1977 goes in the direction of (c); and quotas on the model of (d) have existed for sugar since the inception of the market organization.

Price Policy

3.4 Alongside the introduction of guarantee thresholds, the Commission considers it necessary to pursue a restrictive price policy. Its annual price proposals will continue to take account not only of the development of agricultural incomes in the Community, but also of the agricultural market situation, the budgetary situation, and other general economic factors.

In addition, special attention must be paid to the proper hierarchy of prices between the different products; to a satisfactory balance between the varieties produced and those demanded by users; and to the improvement of the quality of produce required by consumers.

For certain products (for example, milk and cereals) it reserves the right to propose the fixing of common prices more in advance (for example, for two marketing years) in order to make the price policy more effective.

3.5 As regards the level of Community agricultural prices in relation to those applied internally by its competitors on the world market, the Commission notes that in many cases (particularly for milk) the common prices are at about the same level (or in some cases lower) than in other countries. However, particularly in the case of cereals, it continues to advocate a progressive reduction in the gap between Community prices and those of its principal competitors, not only in the interest of a more competitive production of Community cereals (and the elimination of

the advantage presently enjoyed by imports of cereals substitutes, for which there is a low or zero level of protection) but also with a view to the importance of cereals and feed costs in the economy of animal production.

- 3.6 The application of such a price policy in future years cannot exclude the possibility that, in certain cases where the market situation is particularly difficult, or where the effective application of a guarantee threshold so requires, the common prices expressed in ECU may be frozen or even reduced; and consequently that the Community support prices expressed in national currency may be reduced in nominal terms.
- 3.7 The Commission has given particular consideration to the consequences which this new approach to price policy could have in countries with a high rate of inflation. In this context it should be recalled that the Commission's new proposals for the dismantling of monetary compensatory amounts will contribute to a better convergence between agricultural incomes in Member States. In addition, the structural measures developed by the Community, with their efficiency strengthened by a better coordination, as suggested in the special Commission report to the Council, will also contribute to a solution to such problems in the medium term. In the third place, measures which could be taken for the incomes of small producers (see para. 3.10 below) will principally benefit farmers in countries with high inflation. Finally, the Commission recalls that a fall in the different rates of inflation must be achieved essentially by the efforts of economic policy to be pursued in these countries.

Market management

- 3.8 In the light of experience, the Commission considers that the rational management of the agricultural markets has encountered difficulties because of the automatic nature of certain instruments (intervention etc.) which do not permit a flexible reaction to the development of the market situation. It is evident that frequent recourse to decisions at the level of the Council for the management of the agricultural markets is liable to lead to delays, or to linkage with other questions, which are detrimental to the proper execution of the common agricultural policy.

3.9 In response to the solemn declaration adopted by the Heads of State and Government in Stuttgart on 19 June 1983, which "confirmed the value of making more frequent use of the possibility of delegating powers to the Commission within the framework of the Treaties", it is the intention of the Commission to propose, in appropriate cases, the delegation by the Council of further powers in the context of agricultural management. The objective is to make the management of the policy more flexible and less automatic, with a view to the most efficient use of the instruments and of the financial resources.

Incomes of small producers

3.10 The Commission will propose, in those cases where it would be necessary, further measures to alleviate the possible consequences for the incomes of certain small producers, or producers in certain less-favoured regions. Such measures, which would be defined on a Community basis and limited to producers whose principal income is from agriculture, and whose opportunity for other economic activity is limited, could be financed totally or partly by the Community budget.

3.11 It should be noted that measures of this kind are already being implemented. Thus, for example, farmers in hill areas and less-favoured areas already receive aid under Directive 75/268, to compensate for the natural handicaps and to maintain a farming activity which helps to protect the environment. In the milk sector, the Council adopted in respect of the 1982/83 and 1983/84 marketing years a special aid of 120 million ECU for small-scale milk producers.

Aids and premiums

3.12 It is a normal feature of many market organizations that there exist aids and premiums, paid by the Community budget. As can be seen from Annex IV, this category of measures financed by the Guarantee Section of the EAGGF comprises:

- aids with the general objective of supporting producers' incomes.
- aids to offset the difference between the prices for Community production and prices on the world market.
- aids to encourage the sale of Community produce on the internal market; in most cases, these measures are applied to products when similar products are imported free of charge or at low rates of duty.

This type of payment has increased in importance in recent years, and has now overtaken the category "export refunds" as the largest single category of expenditure from the Guarantee Section of the EAGGF.

3.13 The Commission has made a systematic examination of the aids and premiums under the market organizations covered by this report, in order to verify their economic justification and to see if their objectives are properly attained. In some cases, the market situation which existed at the time of the original introduction of the measures has changed, and their justification is no longer evident. The Commission therefore makes specific proposals for improvement or discontinuation, as indicated in the product-by-product examination. In addition, the Commission will pursue the examination of the other aids and premiums, particularly those under market organizations not covered in this report, and will propose appropriate measures.

External trade

3.14 Faced with difficulties of disposal on its own markets, and increased competition on external markets, the Community must base its agricultural trade policy on a combination of three elements:

- international cooperation with the principal exporting countries, to prevent the deterioration of world prices;
- the development of a policy at the Community level for promoting exports on a sound economic basis;
- the exercise of the Community's international rights, particularly in GATT, for the revision of the external protection system in those cases where the Community is taking measures to limit its own production.

3.15 The introduction of measures permitting the observance of guarantee thresholds, particularly the participation of producers wholly or partly in the cost of disposal, should permit the agricultural exports of the Community to develop on a sound basis. This will create the necessary conditions for envisaging the conclusion of long-term contracts for the supply of agricultural produce to third countries, particularly certain developing countries who have requested them of the Community in the framework of their policies for food security.

3.16 As regards agricultural imports, the Community is obliged to re-examine the regimes applicable for the different products, with a view to adapting them to the market situation. In some cases, the Community has contracted international commitments concerning agricultural imports in exchange for reciprocal concessions in the agricultural sector, or other sectors; in these cases, an adjustment of the import regime must take account of the possibilities of negotiation and of the reactions of the Community's trading partners. In other cases, autonomous concessions have been granted for reasons of general commercial policy and foreign policy. Nevertheless, if the Community is to demand greater disciplines of its own agricultural producers, it must be prepared to take parallel action in respect of imports and to ensure a satisfactory observance of Community preference.

GUIDELINES FOR THE PRINCIPAL SECTORS

- 4.1 The adaptation of the agricultural policy must be made in accordance with the market conditions prevailing in each product sector; the aim must be not to achieve economies irrespective of the economic and social conditions particular to agriculture, but to streamline expenditure in such a way that the financial resources available are concentrated on the areas where those resources are most needed, where the interest of Community action is most clearly demonstrated, and where budgetary intervention can be most cost-effective.
- 4.2 With this objective in mind, the Commission has made a thorough examination of the principal market organizations, and of the measures resulting in expenditure from the Guarantee Section of the EAGGF. In presenting its proposals, the Commission observes that for the most part the adaptations indicated require Council decisions; however, certain measures fall within the competence of the Commission under its own powers. The Commission requests the Council to decide on its proposals before the end of the year, so that they can be applied as from the next agricultural marketing year.
- 4.3 In some cases, the adaptations require modification of the administrative procedures and economic instruments hitherto applied by Member States. If there is resistance to making adjustments, or if the administrative difficulties inherent in any such improvements are invoked, this will be seen as an excuse for delaying the necessary decisions. The Commission emphasises strongly that the improvement of the functioning of the CAP implies the acceptance of change by the Member States. It underlines also that its proposals represent a global package, which cannot be significantly modified without compromising its overall balance.

4.4 The Commission has examined the economic context of each market organization for which adaptations appear to be required, taking account of all market organizations with a share of more than 2,0% of the expenditure of the Guarantee Section:

- Milk
- Cereals and Rice
- Beef
- Sheepmeat
- Fruit and Vegetables
- Oilseeds
- Olive Oil
- Tobacco
- Wine

A descriptive note on each of these market organizations is included in Annex III. The Commission will pursue its examination of market organizations of a lesser importance, not covered in this report, and will, if necessary, propose suitable adaptations

4.5 Before coming to the individual products, however, the Commission draws attention to the fact that the sector of milk products presents the most urgent problem. In this sector the trend of annual increase of milk deliveries was about 2,5% in the period from 1973 to 1981, but the annual increase has accelerated in 1982 and 1983 to about 3,5%; meanwhile consumption in the Community of milk products in all forms, which showed an annual increase of the order of 0,5% in the 1970s, is now tending to stagnate; thus the milk sector is different from other agricultural sectors by virtue of the unremitting and even accelerating divergence of the trends of production and consumption. The volume of milk produced in the Community now exceeds the realistic possibilities for additional disposal, except at rates of subsidy which are hardly acceptable for the Community taxpayer.

4.6 In its examination the Commission has concluded that, at this stage, adaptations are not necessary in the sugar sector, whose market organization was already revised by the Council in 1981, and renewed for a period of five years. It includes a system of production quotas which gives to producers themselves (beet-growers and sugar-processors) the entire responsibility for financing the disposal of sugar exceeding the Community's internal consumption.

Rationalization of the common agricultural policy
and
adoption of agricultural prices for 1984/85

Introduction

by Mr Poul Dalsager, Member of the Commission

- 1.1 The decisions which the Council of Ministers has adopted mark the culmination of more than three years of effort by the Commission to adapt the common agricultural policy to the new economic circumstances.

Throughout this period, and in particular since it launched its rationalization plan in July 1983, the Commission has pressed the Council to act on its advice. Had it endorsed the Commission's proposals more promptly, the solutions would have been easier. However the Council has at last achieved agreement, so that the new agricultural prices and the other measures can enter into force for the 1984/85 marketing year.

The package deal has six main points:

- the principle of the guarantee thresholds is confirmed and extended to other products;
- control of milk production through quotas;
- restoration of a single market by dismantling the monetary compensatory amounts;
- a realistic policy on prices;
- rationalization of the aids and premiums for various products;
- compliance with Community preference.

Not all the reforms proposed by the Commission were adopted by the Council. For this reason, and as a result of the delay in adoption of the Council decisions and the deterioration in the market situation, additional resources will be needed to finance the CAP in 1984. The Community must show financial solidarity with regard to its farmers in its efforts to consolidate agricultural policy on sounder economic and financial bases in coming years.

1.2. Guarantee thresholds

Three years ago, the Commission concluded, in its report on the Mandate, that "it is neither economically sensible nor financially possible to give producers a full guarantee for products in structural surplus". In its memorandum on "Guidelines for European agriculture", it again stressed the dangers attendant upon the fixing of guaranteed prices "for unlimited quantities not necessarily matching market needs".

Since then, the Council has approved the Commission's proposals for guarantee thresholds for various products (milk, cereals, rape, processed tomatoes) in addition to the similar measures already being operated (sugar, cotton). Beyond these thresholds, the farmers cannot expect the Community to provide the same guarantees for their output. Thus, the guarantees are no longer open-ended, and the objective of this policy change has been to achieve a more consistent relationship between the guarantees and the market itself and to dovetail them into a long-term plan for rationalization of the farm sector.

In its latest decisions, the Council has not only extended the guarantee threshold system to certain other products (sunflower, durum wheat, dried grapes) but has stressed the need to apply it to the market organizations for surplus products or products liable to boost expenditure. The Council has thus underwritten the Commission's own guidelines concerning the thresholds.

1.3. Milk

With the supply of milk running far ahead of demand, this product must loom large in any plan to reform the agricultural policy.

In its July 1983 memorandum, the Commission made the alternatives clear: either a 12% reduction in milk prices or a quota system guaranteeing reasonable prices to farmers for limited quantities of milk. Recommending quotas corresponding to 1981 deliveries + 1%, the Commission was bearing in mind the need to protect farmers' incomes and at the same time the limited scope for disposal on Community markets and markets outside.

The Council has agreed to introduce for a five-year period quotas based on 1981 deliveries + 1%. The system will be operated with realism and flexibility:

- for Ireland and Italy, the quantities guaranteed will be the same as 1983 deliveries;
- a reserve has been added to enable the difficulties created by the introduction of quotas in certain Member States to be solved; for the 1984/85 marketing year, the reserve has been fixed at 300 000 tonnes to be assigned to Ireland, Northern Ireland and Luxembourg;
- to facilitate the changeover, a further quantity has been added for the 1984/85 season for all the Member States, the cost of which will be covered by a 1% increase in the coresponsibility levy paid by dairy farmers;
- well aware of the difficulties of adaptation, the Council extended by two years the Community's direct 120 million ECU aid to small dairy farmers;
- rules have been adopted to ensure flexible implementation of the system in relation with general or regional conditions, allowing quota management at dairy level or at that of the individual farm. Improvement of dairy production structures must be encouraged.

These changes represent a courageous effort on behalf of the Community to reconcile the social objectives of the CAP with real market conditions. The decisions are painful because they have been too long deferred; however, if they had not been taken, the common market in milk could well have collapsed altogether in the very short term. Its economic and financial bases have now been effectively reorganized.

1.4. Monetary compensatory amounts

The Commission proposed that existing MCAs be phased out altogether in two stages. The Council decided to dismantle the positive MCAs in three stages. By the end of the first two stages (conversion of positive MCAs into negative MCAs at the beginning of the 1984/85 marketing year; dismantlement by 5 points of the German MCAs on 1 January 1985), four-fifths of the positive MCAs will have been dismantled in less than one year; they will have disappeared altogether by the beginning of the 1987/88 marketing year at latest. In addition, the negative MCAs for Italy and Greece will be eliminated at the beginning of 1984/85 marketing year, with a small negative MCA being retained for France.

Also, technical changes in the method of calculation will have the effect of reducing the MCAs on many products, including pigmeat.

The Ministers have now adopted a new system within which future parity changes in the European Monetary System will no longer entail the creation of positive MCAs.

These decisions constitute an important step towards the restoration of single prices on the Community agricultural markets.

1.5. Prices

The Council's decisions endorse the Commission's view that the market situation requires a very cautious policy on prices. In fact, for the first time ever, the average prices in ECU adopted by the Council (- 0.5%) actually fall short of the prices proposed by the Commission (+ 0.8%). Including the agrimonetary changes (dismantlement of the positive and negative MCAs), the average increase in agricultural support prices when expressed in national currencies will be 3.3%. As the general level of inflation in the Community can be estimated at 5.5% for 1984, these decisions leave no doubt as to the Council's determination to ensure that its prices policy is restrictive.

With regard to price relativities, as expressed in ECU, for the various agricultural products, the Council broadly endorsed the "modulated" approach proposed by the Commission. For some Mediterranean products, it approved increases exceeding the Community average.

The impact of these decisions on food prices will be just over 1% for the Community taken as a whole.

The impact on farm incomes cannot be assessed without taking account of the longer term outlook and the productivity situation. If this year's decisions are seen together with those for the three preceding years, for most of the Member States the increase in agricultural support prices as expressed in their own currencies has either actually exceeded the general level of inflation or has fallen short of general inflation without the discrepancy exceeding productivity gains normally achieved in farming. In only two Member States (Italy and Ireland), has a high rate of inflation run well ahead of agricultural support prices.

1.6. Aids and premiums

Another aspect of the Commission's plan consisted in a thorough review of aids and premiums financed under the CAP. In certain cases, this expenditure is no longer fully justified and at a time when there is a serious shortage of funds, a careful review was called for.

Consequently, the Commission proposed that certain aids be changed or discontinued altogether. While not accepting all the proposals, the Council adopted major decisions concerning the following products:

- Milk. A 75% reduction in the aid to butter consumption, which does not in fact affect consumer prices, because of the parallel reduction in the butter intervention price. Extension of other aids to the disposal of butter and concentrated milk.
- Beef/veal. Retention of the suckler cow premium, the only Community scheme specifically designed to encourage beef/veal production. Diminution of the variable premium paid in the United Kingdom, and of the calf premium.
- Sheepmeat. New rules on the payment of the ewe premium.
- Cereals. Adaptation of the compensatory allowances, which will yield substantial savings.
- Proteins. Decision concerning aids to peas and field beans, soya and lupin seeds.
- Fruit and vegetables. Reduction in the aids to fruit preserved in syrup. Limitation of aids for processed tomatoes.

These measures will improve the general profile of the CAP and also its cost/efficiency ratio.

1.7. Community preference

It has always been the Commission's concern to ensure a fair share-out of the sacrifices entailed by the adjustment. This means that all those involved (farmers, consumers, processors, taxpayers, Member States and non-member countries) must accept the discipline entailed by the efforts to safeguard the agricultural policy.

In this context, it is important to remember that the Council has adopted or has undertaken to adopt, on Commission proposals, a number of decisions concerning compliance with the principle of Community preference. The products concerned are as follows:

- Cereals: adoption of a mandate for negotiation with non-member countries on the stabilization of imports of cereals substitutes.
- Milk: reduction in the quantity of butter imported from New Zealand.
- Beef/
veal: revision downwards of the import "balance sheets" for meat from non-member countries for 1984.
- Sheep-
meat: postponement of a decision on the variable premium, pending the results of negotiations with non-member countries on a minimum import price.

With regard to exports of agricultural products, the Commission takes the view that guarantee thresholds and, in particular, involvement of producers in disposal costs, would allow of the development of exports on a sound basis. It maintains its proposal concerning long-term contracts for the supply of agricultural products to non-member countries.

- 1.8. The Council's decisions on these six points constitute a milestone in the development of the CAP. They justify the efforts made by the Commission in the last three years to promote a political consensus favouring the adaptation of the agricultural policy.

These efforts have not always been welcome to everybody, as the Commission has highlighted facts and insisted on principles which are not universally popular: it has stressed the need for joint decisions, jointly agreed rules and common objectives some of which may have seemed less attractive to the Member States than the easy road of economic nationalism. Nonetheless, the rationalization, advocated by the Commission, rather than the renationalization of the CAP has at last prevailed.

The first chapter of this story is thus one of success. This will allow of growing integration of agriculture into the economic development of Europe, as part of the overall plan for renewal of the Community. However, other goals lie ahead. The Council is soon to review the policies concerning agricultural structures on the basis of Commission proposals that are already on its table. With regard to prices and markets, the Council, in future years, must complete the task it has started. It would be foolish to imagine that the main difficulties have now been solved.

But the decisions recently taken do show that at political level there has been a change of climate. The Commission warmly welcomes the decisions which at last have given the agricultural policy the right orientation, an orientation recommended by the Commission itself.



Poul DALSGER

INTRODUCTION

1. Each year the Commission submits to the Council and Parliament proposals for the annual fixing of prices and related measures. In the calendar of the common agricultural policy, the price decisions occupy a special place, for they represent:
 - a series of economic signals for the agricultural sector (decisions on prices);
 - an occasion for adaptation of the market regulations and other elements of the agricultural policy (decisions on related measures).
2. The new Commission set itself as a priority the task of adopting the proposals for the 1985/86 marketing year by the end of January so as to enable Parliament to deliver its opinion as soon as possible and the Council to take a decision, as it is required to do, by 1 April. The proposals for the 1985/86 marketing year have been drawn up in special circumstances:
 - 1984 saw profound changes in the agricultural policy, decided by the Council in the context of the 1984/85 prices;
 - 1986 is to welcome the accession of Spain and Portugal as new members of the Community.
3. In its present proposals the Commission wishes to maintain a continuity in the development of the agricultural policy, and to assist Europe's agriculture to make the necessary transition to the challenges which it must face in the second half of the 1980s.
4. What are those challenges? The continued - and even accelerating - increase in agricultural productivity, made possible by the application of modern equipment and techniques, is not matched by an increase in demand for food from a population which is growing only slowly. Having passed self-sufficiency for most of the principal agricultural products, the Community now relies more and more on world markets for its outlets. Because of the inelasticity of demand, subsidies for disposal on the Community's internal markets are expensive. New uses for agricultural products in the fields of biotechnology, industry or energy, although promising, are still at the development stage. Meanwhile, in the difficult economic situation, public financial resources for support of agriculture, both at the Community level and the national level, are limited.
5. With the reforms of the common agricultural policy made in the course of 1984, Europe's agriculture has already begun the process of adaptation to those challenges. But the choices faced by the agricultural population are difficult: to adapt farm enterprises to new limitations - for example, milk quotas; to convert to other sectors of production - but difficulties exist in practically all sectors; to improve the structure of farms - which requires additional capital; or to find employment outside agriculture - at a time when unemployment is high.

6. There is no miracle solution for these problems. The problems already described by the Commission in its memorandum on the CAP of 29 July 1983 (Doc. COM(83)500) remain unchanged. Since that time, the situation on the markets has not improved and, in some cases, has even deteriorated. In the short term there can therefore be no alternative to:

- pursuing a price policy more adapted to the realities of the internal and external markets but taking account of the Community's obligations to the agricultural population;
- continuing to apply guarantee thresholds in the agricultural policy in accordance with the guidelines already defined by the Council so that, when Community production exceeds certain limits, the financial responsibility is shared by producers;
- reorganizing the policy on structures in the manner proposed by the Commission more than a year ago.

7. However, the Commission is aware of the fact that the agricultural population needs medium and long-term prospects. If the Common Agricultural Policy did not provide farmers with the hope of a better future for the next generation, within the spirit of Article 39 of the Treaty, the agricultural policy would inevitably be renationalized with all the attendant consequences for European integration. The Commission therefore intends to provoke a debate before the middle of 1985 in the context of the Community bodies and with the professional organizations concerned in order to define the future prospects for European agriculture. Every possible channel must be explored with a view to achieving the following goals:

- the creation of a modern and efficient agriculture which continues to exploit its potential to improve productivity in the interests both of farmers and consumers but which, at the same time, respects the environment and conserves the priceless heritage of landscape and species of Europe.
- taking up the double challenge of outlets for agricultural production, i.e. the outlets on the European markets - with the prospects for new developments offered by advances in the fields of biotechnology and energy - and the outlets on the external markets - with the challenge of competition in world trade and the moral imperative of providing food aid;
- increasing integration of agriculture into the economy as a whole, which implies that the rural population must be assisted in improving its economic and social situation not only through the policy on agricultural structures but also by means of other policies and instruments such as the Integrated Mediterranean Programmes.

The Commission is convinced that an approach of this nature will enable the Community to arrive at a clearer definition of the framework and instruments which are necessary if the Common Agricultural Policy is to fulfil its objectives in the medium and long term in the spirit of the Treaty and of Article 39 in particular.

A. GENERAL SURVEY

1. General economic situation

8. Despite the serious uncertainty and concern which persist with regard to the economic and social situation in the Community, there is a good deal of evidence that its economy is at last beginning to emerge from the longest period of recession it has known since the end of the war. The 1984 growth rate was admittedly still quite modest: the Gross Domestic Product (GDP) probably increased in volume by about 2,2% for the Community as a whole, a rate falling well short not only of those achieved in the United States and in Japan but also of the Community average for 1971 to 1980 (2,9%). But it should not be forgotten that the Community growth rate averaged only 0,9% in 1983, and that for the 1981-83 period growth totalled a bare 1%.
9. It is also encouraging to note that in contrast with developments in 1983, all the Member States shared, at least to some extent, in the recovery: the real GDP growth rate probably exceeded 2% in most of the countries and was probably at least 1,4% in the rest, whilst in 1983 some member countries had suffered actual negative growth.
10. Another achievement in 1984 was the steady decline in inflation rates: for the Community as a whole, it is estimated that the GDP deflator fell in 1984 to 4,7%, compared with 6,4% in 1983 and an average of 10,7% per year in the 1973/81 period. At the same time the convergence of inflation rates in the various Member States was strengthened, since the most spectacular progress in the control of inflation was achieved by those Member States which had had the highest inflation rates in the early eighties.

For, apart from Greece, which still has a very high inflation rate, inflation in the Member States in 1984 ranged from about 2% (Germany) to 10,5% (Italy), whereas the range was from 4,3% to 20,6% in 1980.

(a) Proposals for common prices

24. With the continued reduction in the average rate of inflation in the Community - forecast for 1985 at 4,1%, compared with 4,7% estimated for 1984 - the Commission considers that a market-oriented price policy requires adjustments in common agricultural prices for 1985/86 no less prudent than in 1984/85. Account must also be taken of the fact that, by comparison with previous years, the disparity of Member States' rates of inflation has been reduced, and the margin of manoeuvre for price adjustment through adaptation of green rates is limited. In such circumstances, it is normal that the adjustment of prices in national currency should correspond more closely to the adjustment of prices in ECU than has been the case in the past.
25. Agricultural revenues in the Community have increased in real terms in 1984 by about 4% after a decrease in 1983; by comparison with the average of the three-year period 1979/80/81, agricultural revenues in 1984 have improved by about 7%. However, the development has been very varied according to the sector of production with extremely negative results for milk and beef but very positive results for cereals.
26. The Commission concludes that for the majority of products it is appropriate to propose price adjustments of between 0 and + 2%. In certain specific cases, a reduction in prices is justified because the guarantee threshold has been exceeded (this is the case for cereals and rapeseed) or because of the market situation (this is the case, in particular, for tobacco and for certain fruit and vegetables where the withdrawals from the market or the quantities receiving aid have increased excessively).

In its proposals for the different products, the Commission has paid special attention to the need for internal consistency within the agricultural sector as a whole. Prices for animal products cannot be viewed in isolation from costs of animal feed: the prices of some of the components entering into animal rations have fallen in the later part of 1983 and during 1984, and will be further influenced in 1985 by the proposed adjustment of cereal prices. At the same time, following the introduction of production quotas for milk, great prudence must be exercised in fixing prices for other sectors to which productive resources may be transferred from the milk sector. Finally, within the crop sector, the same prudence demands that the price level for cereals - for which the application of the guarantee threshold mechanism will entail a price reduction in the coming season - should be properly related to the prices for other crops which may be grown in place of cereals.

27. The proposed adjustments of common prices in ECU are given in full in Table 1 at the end of this volume. In summary, the proposals are: :

<u>Cereals</u>	Target price and common intervention price (increase of 1,5%, corrected by abatement of 5% due to guarantee threshold being exceeded)	- 3,6%
	Rye - target price	- 4,4%
	Durum wheat - intervention price	0,0%
	- production aid (Italy, France)	0,0%
<u>Rice</u>	Intervention price for paddy rice	0
<u>Sugar</u>	Basic price for sugar beet	0
	Intervention price for white sugar	+ 1,3%
<u>Olive oil</u>	Intervention price	0
	Target price and production aid (increase in aid to be used to finance action to combat "dacus oleae")	+ 2%
<u>Oilseeds</u>	Colza and rapeseed	- 3,6%
	Sunflower seed	- 1,5%
	Soya beans	+ 1%
<u>Protein Products</u>	Dried fodder	+ 1%
	Field beans - minimum price	- 6,2%
	Lupins, peas - minimum price	0
<u>Fibre Products</u>	Flax and hemp	+ 1%
	Cotton	+ 2%
<u>Wine</u>	Guide prices	0
<u>Tobacco</u>	Guide prices and premiums according to variety	from 0 to - 5%
<u>Fresh Fruit and Vegetables</u>	Basic prices and marketing premiums, according to product	- 6% to + 1%
<u>Milk</u>	Target price	+ 1,5%
	Intervention prices (after adjustment of butterfat/non-fat ratio from 50: 50 to 46,9: 53,1)	
	- butter	- 4,0%
	- skimmed milk powder	+ 6,8%
<u>Beef</u>	Guide price and intervention price	0
<u>Sheepmeat</u>	Basic price until 5.1.1986	0
	from 6.1.1986	+ 2%
<u>Pigmeat</u>	Basic price	0

(ii) Animal Products

34. For the milk sector, the Commission has to take account of the decisions already adopted by the Council in the context of 1984/85 prices concerning the introduction of production quotas. The introduction of quotas has proved difficult, and is not yet fully assured in all Member States. The Commission underlines that, if the future of the common organisation of the market in this sector is to be safeguarded, the decisions of the Council must be respected. The limited increase in the common price for milk proposed for 1985/86 can only be envisaged on the condition that the quotas will be in proper application; and if it appears otherwise, the Commission reserves the right to substitute for its present proposal a freeze or even a reduction in the common price.
35. In the same line of strict compliance with the decisions already adopted by the Council, the guaranteed total quantity of milk applicable from 1.4.1985 will be 98,152 m. tonnes. The guaranteed total quantity of 99,024 m. tonnes, exceptionally fixed as a transitional measure for the 1984/85 marketing year, was accompanied by an increase in the rate of the linear coresponsibility levy from 2% to 3%. In these circumstances, the Commission considers it normal that for the 1985/86 marketing year the levy should apply at the rate of 2%, and this proposal is included in the present package. A reduction in the rate of levy, combined with the proposed increase in common prices, will have a positive effect on the incomes of milk producers; in addition, the Council has already decided that the aid of 120 MECU to small milk producers should be continued in 1985/86.
36. Finally, in the context of milk prices, it is proposed to make a further step in the adjustment of the butterfat/non-fat ratio, which will result in a reduction of 4% in the intervention price for butter.

This will encourage the utilization of butter on the Community market, and offset the withdrawal of the remaining element of the direct consumer subsidy for butter, which is due to take place on 1.4.1985.

37. For beef, the Commission takes the view that the time has come to adapt the premiums along the lines proposed in COM(83)500. Therefore it is not proposing renewal of the calf premium or of the variable premium, but proposes that the suckler cow premium be kept at its present level.

With regard to sheepmeat and goatmeat, the Commission repeats its proposal concerning the coincidence of the marketing year (now applied) with the calendar year. The proposals in this document for prices and premiums therefore concern a period covering altogether 21 months until the end of 1986. The Commission is also repeating its proposals for the setting of a ceiling on the variable premium.

(iii) Supervision of application of Community rules

38. The Commission reminds the Council that it has already submitted a series of proposals intended to strengthen supervision of the application of Community rules (Doc. COM(82)138 of 16.3.1983; COM(82)899 of 10.1.1983; COM(83)251 of 5.5.1983). It urges the Council to adopt these proposals without delay.

(c) Proposals for dismantling monetary compensatory amounts

39. The monetary compensatory amounts applied in agricultural trade at the present time (week beginning 28.1.1985) are:

	Milk	Cereals Pigmeat Eggs and poultry	Other products
Germany)	+ 2,9	+ 2,4	+ 1,8
Netherlands)			

	Milk	Wine	Other products
France	- 1,0	0	- 2,0

	Wine	Other products
Greece	0	- 3,6

All products

United Kingdom	- 3,6
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The gap between the positive and negative MCAs is thus smaller than has existed for many years, as a result of the Council's agrimonetary decisions of 31 March 1984. The first stage of application of those decisions took place at the beginning of the 1984/85 marketing years. The second stage was the dismantling of positive MCAs by Germany and the Netherlands, which took place on 1 January 1985; in connection with this stage, Germany was authorized by the Council to pay compensatory aids to farmers, with a Community contribution, with effect from 1 July 1984. The third stage for the dismantling of remaining positive MCAs for Germany and the Netherlands should be completed by the latest at the beginning of the 1987/88 marketing years, and in accordance with the "Gentlemen's Agreement" of 1979.

40. The Commission considers that in the 1985/86 price decisions there should be a further move in the dismantling of MCAs. It wishes to ensure a coherence between the agrimonetary measures and the proposals for common prices, and account must be taken of the general economic situation, and the situation of agricultural markets and agricultural incomes, in the Member States concerned. For these reasons, the Commission proposes the following adaptations of green rates at the beginning of 1985/86.

5. Conclusions

48. In presenting its agricultural price proposals for the 1985/86 marketing year, the Commission has endeavoured to retain a general balance. It has taken account, on the one hand, of the general economic situation (including the budgetary situation) and, on the other, of the situation of agriculture. In view of the serious difficulties being encountered on many agricultural markets, the proposed price increases are very limited and, in some cases, even reductions in institutional prices are proposed.

The impact of these proposals on the consumer prices of foodstuffs and, consequently, on the cost of living of the Community population is almost negligible.

49. The Commission considers that its balanced proposals should enable the Council to adopt its decisions without any great delay and in any case by 1 April 1985.

It is particularly necessary to observe this deadline in that the decisions on agricultural prices and related measures constitute an important stage in the necessary process of reshaping the Common Agricultural Policy.

As regards this reshaping process major steps were made or begun in 1984 but the Community is faced with other problems in the agricultural sector which take the form not only of problems on the internal and external markets for agricultural products but also of social and economic problems effecting those employed in this sector.

50. A solution to these problems cannot be found solely in the policy on prices and markets. It is for this reason that the Commission is pressing the Council to take urgent decisions on the proposals submitted to it concerning the policy on agricultural structures and the Integrated Mediterranean Programmes. The Commission also believes that the Community will have to develop a medium and long-term strategy for the Common Agricultural Policy in order to outline the prospects for the future.

B. EXPLANATORY MEMORANDUM PRODUCT BY PRODUCT

Preliminary comments on market prospects

1. In its memorandum "Guidelines for European Agriculture", presented to the Council in 1981, the Commission stressed the need to base agricultural policy on plans concerning several years. Since then a set of measures has been adopted implementing the principle of guarantee thresholds for various products. This is one of the reasons why the Commission has periodically revised and updated its medium- and long-term projections (based on the hypothesis of unchanged Community rules) in order to provide the Council with better information concerning the consequences of decisions already taken and also, in some cases, to warn it of the risks of the situation deteriorating if the measures proposed by the Commission are not adopted.

It was against this background that, in connection with its proposals for the 1984/85 prices, the Commission produced forecasts for the period up to 1990. In preparing the 1985/86 price proposals the Commission has revised its forecasts, taking the new horizon of 1991.

Although the forecasts primarily concern supply and demand within the Community, the trend in Community imports and exports and the outlook for world markets are also mentioned where possible. Figure 2 shows the trends in the Community's external trade in agricultural products in recent years.

As regards guarantee thresholds and related measures, Table No 4 at the end of this volume gives an overview of the thresholds fixed in the past and those proposed here.

2. Any forecast of demand depends on a forecast of population and incomes. According to the Commission's estimates, the total population of the Ten will increase from 272 million in 1983 to 275,6 million in 1991, which represents an annual growth rate of 0,16%, compared with 0,35% for the period 1971 to 1981. The level of private consumption per head of population (Community average at 1970 prices) is expected to increase at

a rate of 2,18% a year from 1983 to 1991, compared with 2,5% during the period 1971 to 1981. Since population and income growth will be slower than in the seventies, the outlook for food consumption is not as good as in the past.

3. Spain and Portugal are due to join soon, so that the common agricultural policy will cover twelve countries. Enlargement will affect the markets for most agricultural products and in some cases the impact will be great. However, for the sake of consistency, the forecasts have been worked out on the basis of the Community's present membership.

Table 1
Price proposals in ECU for individual agricultural products

(VIPPKX-37)

- 1 -

Product and type of price or amount (Period of application)	1984/85		Propositions 1985/86	
	Amounts	%	Amounts	%
	ECU/tonne	increase	ECU/tonne	increase
1	2	3	4	5
Common wheat 1. 8.85-31. 7.86				
. Target price	259,08	- 0,9	249,82	- 3,6
. Common single intervention price	182,73	- 1,0	176,20	- 3,6
. Reference price for bread wheat - average quality	213,14	- 1,0	205,52	- 3,6
Barley, sorghum 1. 8.85-31. 7.86				
. Target price	236,30	- 0,8	227,85	- 3,6
. Common single intervention price	182,73	- 1,0	176,20	- 3,6
Maize 1.10.85-30. 9.86				
. Target price	236,30	- 0,8	227,85	- 3,6
. Common single intervention price	182,73	- 1,0	176,20	- 3,6
Rye 1. 8.85-31. 7.86				
. Target price	238,37	0,1	227,85	- 4,4
. Intervention price	184,58	0,0	176,20	- 4,5
Durum wheat 1. 7.85-30. 6.86				
. Target price	357,70	0,6	357,70	0,0
. Intervention price	312,08	0,0	312,08	0,0
. Aid (a)	101,31	1,5	101,31	0,0
Rice 1. 9.85-31. 8.86				
. Target price - husked rice	539,49	3,1	548,37	1,6
. Intervention price paddy rice	314,19	2,5	314,19	0,0
Sugar 1. 7.85-30. 6.86				
. Basic price for sugarbeet	40,89	0	40,89	0,0
. Intervention price or white sugar	534,70	0	541,80	1,3
Olive oil 1.11.85-31.10.86				
. Production target price	3 162,3	- 1,0	3 225,6	2,0
. Intervention price	2 276,2	- 1,0	2 276,2	0,0
. Production aid (b)	695,6	- 1,0	709,5	2,0
Rape seed 1. 7.85-30. 6.86				
. Target price	472,6	- 2,0	455,7	- 3,6
. Intervention price	429,2	- 2,0	413,8	- 3,6
Sunflower seed 1. 8.85-31. 7.86				
. Target price	582,2	- 1,0(1)	573,5	- 1,5
. Intervention price	532,7	- 1,0(1)	524,7	- 1,5
Soya beans 1. 9.85-31. 8.86				
. Guide price	570,1	1,5	575,8	1,0
. Minimum price	501,7	1,5	506,7	1,0

(1) Having regard to the proposal that the standard quality be altered from an oil content of 40% to an oil content of 42%.

Product and type of price or amount (Period of application)	1984/85		Propositions 1985/86	
	Amounts	%	Amounts	%
	ECU/tonne	increase	ECU/tonne	increase
1	2	3	4	5
Dried fodder				
. Fixed-rate aid 1. 4.85-31. 3.86	8,41	- 1,0	8,49	1,0
. Guide price 1. 4.85-31. 3.86	177,15	- 1,0	178,92	1,0
Peas and field beans 1. 7.85-30. 6.86				
. Activating price	512,4	- 1,0	520,4	1,6
. Guide price	331,1	- 1,0	331,1	0,0
. Minimum price - peas	289,0	- 1,0	289,0	0,0
- field beans	289,0	- 1,0	271,0	- 6,2
Lupins 1. 7.85-30. 6.86				
. Activating price	478,2	-	482,5	0,9
. Minimum price	317,9	-	317,9	0,0
Flax 1. 8.85-31. 7.86				
. Guide price (seed)	548,6	0,5	554,1	1,0
. Fixed-rate aid (fibre) (per ha) (c)	351,57	- 1,0	355,09	1,0
Hemp 1. 8.85-31. 7.86				
. Fixed-rate aid (par ha) (d)	319,29	- 1,0	322,48	1,0
Silkworms 1. 4.85-31. 3.86				
. Aid per box of silkseed (e)	107,59	1,5	108,67	1,0
Cotton 1. 9.85-31. 8.86				
. Guide price	941,4	1,5	960,2	2,0
. Minimum price	894,4	1,5	912,3	2,0
Milk (1) 2. 4.85-31. 3.86				
. Target price	274,3	0,0	278,4	1,5
Butter (1)				
. Intervention price	3 197,0	- 10,6	3 069,5	- 4,0
Skimmed-milk powder (1)				
. Intervention price	1 658,8	10,9	1 771,2	6,8
Grana Padano cheese 30-60 days (1)				
. Intervention price	3 817,5	5,7	3 906,5	2,3
Grana Padano cheese 6 months (1)				
. Intervention price	4 727,5	7,6	4 821,4	2,0
Parmigiano-Reggiano 6 months (1)				
. Intervention price	5 216,1	8,6	5 310,0	1,8
Beef/veal 2. 4.85- 1. 4.86				
. Guide price for adult bovines	2 050,2	- 1,0	2 050,2	0,0
. Intervention price for adult bovines	1 845,2	- 1,0	1 845,2	0,0

(1) The adjustments for milk and milk products take account of a revaluation of the components of milk.

Product and type of price or amount (Period of application)	1984/85		Propositions 1985/86	
	Amounts	%	Amounts	%
	ECU/tonne	increase	ECU/tonne	increase
1	2	3	4	5
Sheepmeat (1) 2. 4.85- 5. 1.86				
. Basic price (carcase weight)	4 280,4	- 1,0	4 280,4	0,0
Pigmeat 1.11.85-31.10.86				
. Basic price (carcase weight)	2 033,3	- 1,0	2 033,3	0,0
Fruit and vegetables 1985 - 1986				
. Basic price (f)		-1 - +2		-6 to +1
Table wine 1. 9.85-31. 8.86				
. Guide price Type RI	3,42	- 1,0	3,42	0,0
. Guide price Type RII	3,42	- 1,0	3,42	0,0
. Guide price Type RIII	53,30	- 1,0	53,30	0,0
. Guide price Type AI	3,17	- 1,0	3,17	0,0
. Guide price Type AII	71,02	- 1,0	71,02	0,0
. Guide price Type AIII	81,11	- 1,0	81,11	0,0
Raw tobacco 1985 harvest				
. Guide price (x)		-3 - +2		-5 - 0
. Premiums (x)		-3 - +2		-5 - 0
Seeds (2)				0

- (1) It is also proposed that the basic price be increased (by 2%) for the 1986 marketing year, with effect from 6 January 1986. This price would thus be set for 1986 at 4 366,0 ECU/tonne (carcase weight).
- (2) It is proposed that the aids remain unchanged for 1986/87 and 1987/88.

T A B L E 2

AGRI-MONETARY PROPOSALS 1985/86

Country	Sectors	Present situation			Dismantling (in percentage points)	New situation 3)			
		Green rate	Monetary gap real	applied		Green rate	Monetary gap real	applied	Re-/Deva- luation (%)	Effect on prices (%)
D	Milk	2,41047	+ 3,866	+ 2,9	1,020	)	)	+ 1,061	- 1,050
	Cereals	2,39792	+ 3,363	+ 2,4	0,517	)2,38516	) + 2,846	+ 1,8	+ 0,532
	Other	2,38516	+ 2,846	+ 1,8	-))	-	-
NL	Milk	2,71620	+ 3,875	+ 2,9	1,027	)	)	+ 1,068	- 1,057
	Cereals	2,70178	+ 3,362	+ 2,4	0,514	)2,68749	) + 2,848	+ 1,8	+ 0,532
	Other	2,68749	+ 2,848	+ 1,8	-))	-	-
F	Milk	6,93793	- 2,421	- 1,0	0,921	)	)	- 0,899	+ 0,907
	Pigmeat/wine	7,10590	0,0	0	-	)inchange	)	0	-
	Other	6,86866	- 3,454	- 2,0	1,954	)	)	- 1,889	+ 1,925
GR 1)	ALL sectors	90,5281	- 4,687	- 3,6	3,187	)	)	0	+ 3,135
	(2)))		

1) Reference period: 17 to 23.1.1985.

2) The MCA applied to wine is 0, thanks to the 5-point neutral margin applicable in this sector. In order to avoid having different green rates for the various sectors, the dismantling proposed will also apply to wine.

3) With effect from the start of the 1985/86 marketing year.

THE OUTLOOK OF THE SUPPLY OF AND DEMAND FOR
AGRICULTURAL PRODUCTS IN THE COMMUNITY TO
1990.

The following short article is reprinted from "The agricultural situation in the Community, 1984 Report", published by the EEC, January 1985.

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The forecasts for individual products for the Community of the Ten.

Milk and milk products;

On 31 March 1984, the Council decided to apply quotas to deliveries of milk of 99 024 000 tonnes (1) in 1984/85 and of 98 152 000 tonnes (1) from 1985/86 to 1988/89. The regime of production control has thus been decided for 5 years; the future will depend upon the attitude of producers and the evolution of the market. It could be that control measures will still be in existence. It may be assumed that initially average yields will decline as use of concentrated feed, at least for marginal production, is reduced. A certain number of cows and heifers will be fattened and slaughtered, and the proportion of milk produced which is delivered to dairies will also decline slightly. Thereafter, average yields will increase due to continuing genetic improvement and better management, but at a rate more in line with the long-term trend, since intensive farming will be less prevalent than before. To respect the quotas, the dairy herd may need to decline at a rate equivalent to the long-term increase in yields (1.5%), and deliveries will be at or about the quota quantity (98.2 million tonnes).

On the demand side, a continuing increase in demand for cheese and cream (highly correlated with consumer expenditure) contrasts with a decline in demand for butter. For fresh milk products a long term decline seems to have reversed in 1981, and the outlook is uncertain, and liquid milk itself seems to be increasing in consumption per head.

Taken all together, with demographic and economic forecasts, consumption in 1990 will be of about 87 million tonnes in milk equivalent.

Beef

The quantity of beef produced is principally dependent upon the number of breeding cows in the herd, along with other elements such as average carcass weight, viability of calves and so on. In fact, the ratio of beef production to the number of cows, when combined with the prices of certain other farm products, gives a reasonable means of forecasting beef production. Clearly, it is first necessary to forecast the number of cows, and until 1984, it could have been assumed that the population was more or less stable, as it has been for many, many years. However, the application of milk quotas in the dairy sector (where 80% of the cows are found) has disturbed this stability. Different estimates are available of the number of dairy cows which will be slaughtered, the number of replacement heifers which become beef, and the increase (if any) in the beef breeding herd. On balance, it seems reasonable to conclude that:

- (i) There will be an initial increase in slaughterings of cows in 1984 and 1985. This will be less in percentage of the population than the percentage reduction in deliveries required by the quotas, as less intensive feeding of concentrates will reduce individual yields.
- (ii) With yields increasing less rapidly than in the past (due partly to the above factor) there will nevertheless be some requirement to reduce the dairy herd in order not to exceed the quota. This can be estimated at 1.5% per year.
- (iii) There will be a limited increase in the beef breeding herd as some producers switch from dairy to beef production - especially in less favoured areas.
- (iv) There is considerable uncertainty as to whether or not average carcass weights will continue to follow the increasing trend of recent years; it is here assumed that this will be so.

The conclusion from these elements is that between 1984 and 1987 beef production will increase, due principally to a temporary increase in slaughterings of adult animals, but by 1990 the total breeding herd will be reduced to some 30 million head, producing around 7.2 million tonnes of beef and veal.

Demand for beef is subject to the usual influences of population growth and changes in private expenditure, but is also particularly sensitive to the relative consumer price of beef and other competing meats; in this regard the situation of beef is expected to deteriorate as the prices of pork and poultrymeat continue to be lower and to fall even further while that of beef has tended to increase in real terms. A level of demand of 7.0 million tonnes can probably be expected by 1990.

Sheepmeat

The supply of sheepmeat, which reached its lowest point in 1969 at 523 000 tonnes, was following a trend of gradual increase reaching a peak in 1980 (720 000 tonnes). It was in 1980, in October, that the common organization of the market came into force and this new regime is likely to stimulate increases in sheepmeat production within the Community. On this basis, the forecast of sheepmeat supply in 1990 is of just over 800 000 tonnes.

On the demand side, average consumption per head has fluctuated around a mean over the last decade of 3.5 kg/year; this disguises increases consumption trends in Germany, France, Italy and the Netherlands and decreasing trends in the UK and Ireland. Future consumption trends are difficult to estimate as it is uncertain if the present market support system will reverse the downward trend in the UK. The lower growth rate of consumer's expenditure, the relatively high price of sheepmeat and the fact that consumers will substitute cheaper meats for more expensive ones tends to indicate that average consumption may remain at 3.7 kg/head or even fall in the future. This being so, consumption in 1990 could be about 1.0 million tonnes.

Pigmeat

The expansion of pigmeat production in the Community from 1960 to 1982 was very rapid, increasing by more than 2.5% per year on average over that time. A simple

extrapolation of that trend would result in some 12.1 million tonnes of pigmeat in 1990 but this is unlikely to happen. At present, the pigmeat market is limited to internal demand and a certain quantity exported. Consumption per head has increased considerably, favoured by the very competitive price of pigmeat compared with beef and sheepmeat, and also by the more limited increase in the purchasing power of consumers. These influences will persist and consumption per head, which was 37.7 kg/head in 1982, can be expected to be 41 kg in 1990. To the resulting internal demand of 11.3 million tonnes, can be added 100 000 to 200 000 tonnes which is the net quantity which will probably be exported in 1990, giving a total supply of 11.4 to 11.5 million tonnes.

Poultrymeat

Production of poultrymeat expanded rapidly, in a similar way to pigmeat, at a rate of almost 6% per year from 1960 to 1982. Once again, an extrapolation of this trend is not realistic, as the market is constrained to internal demand and a certain limited export potential. As with pigmeat, the demand for poultrymeat is favoured by its very competitive price, especially in times of relative economic stringency, which substitution with higher priced meats occurs to a greater degree. Thus consumption, which was 14.6 kg per head per year in 1982, is expected to reach 16 kg per head in 1990; this represents a total internal demand of 4.4 million tonnes. To this can be added some 350 000 tonnes which, on the basis of present net export figures, will be exported, giving a total of about 4.75 million tonnes supply in 1990.

Total meat

In addition to beef and veal, sheepmeat, pigmeat and poultrymeat, there is a consumption of horsemeat, game, rabbit etc. and offals, which in 1982 gave a total consumption of all meats of 88.6 kg per head per year. The consumption of horsemeat has declined in recent years, that of offals increased, while game and other meats remain fairly constant. The total projected consumption of traditional

meats is about 86 kg per head. Adding the other meat and meat by-products, leads to the conclusion that total meat consumption in 1990 will be about 95 kg per head per year in that year, or 26 million tonnes in total. Total supply of all meats should be at about the same level.

Eggs

Production of eggs expanded very rapidly in the 1960s (+3% per year) and has now slowed down to a rate of increase imposed by the very gradual expansion of the market. Consumption per head of 14.2 kg per year in 1982 is expected to increase to between 14.5 and 14.6 kg by 1990, representing an internal human demand of 4.0 million tonnes. To this should be added 0.3 million tonnes of eggs for replacement stock and 0.12 million tonnes for net export, giving total supply of about 4.4 million tonnes in 1990.

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PART III

BEEF & VEAL

1. Common organization of the market for beef and veal. (1)
2. Adjustment to the CAP. (3)
3. The 1984/85 price decisions. (4)
4. The situation in the market for beef and veal. (2)
5. Price proposals for 1985/86. (5)

II. THE COMMON ORGANIZATION OF THE MARKETS IN BEEF/VEAL

A. General picture of the beef/veal sector

In the Community, beef/veal accounts for about 16 % of final agricultural production and is produced on more than 2.5 million holdings, i.e. on one holding in every two. The production of beef/veal and milk are linked, since about 80 % of beef/veal comes from herds which produce both milk and meat. The number of head of cattle shows little change : about 78 million units, of which about 31 million are cows.

The gross domestic production of beef/veal in the enlarged Community reached 7 million tonnes in 1980, a figure matched fairly exactly by consumption, and consumption per inhabitant is about 26 kg.

In 1970, the degree of self-sufficiency in beef/veal represented, on average for the nine Member States, 90.5 %. The Community became completely self-sufficient only in 1974. In subsequent years, the rate has fluctuated but reached about 102 % in 1980 and 1981.

The Community has thus become a net exporter of beef/veal on the world market. This is essentially the result of an increase in production, while consumption has marked time. But another factor leaving surpluses for exports has been imports of beef/veal and live animals, which are mainly carried out under special schemes based on international commitments.

On the market in beef/veal, there has been an increase in recent years in quantities bought in, and this has had the effect of boosting EAGGF guarantee expenditure in this sector. For this reason, beef/veal market support measures have been adapted to fit the market situation more closely

B. Beef/veal : the machinery of the common organization

The first measures for the creation of a common organization of markets in the beef/veal sector were adopted in November 1964. A three-and-a-half year transitional period had been agreed before Community regulations entered into force. The organization of the markets began full operation in all six original members of the Community on 29 July 1968.

These arrangements have since undergone a number of important changes. For example, there has been a permanent arrangement for intervention on the markets since 1972. In 1977, the import rules were also completely overhauled. These changes have become necessary because of exceptional fluctuations on the world market.

The common organization of the markets in this sector covers the following main products :

- live animals of the bovine species,
- meat of bovine species, fresh, chilled or frozen,
- meat of the bovine species, salted or in brine, dried or smoked,
- preparations and preserves containing meat or offals of the bovine species,
- fats of the bovine species.

1. Prices

Like most of the common organizations, the organization for beef/veal includes arrangements for guidance through prices.

The market organization hinges on the guide price.

It is the price applying to all categories of adult cattle marketed on representative markets of the Community and it is the price which is aimed at in normal market conditions. It is fixed by the Council.

The Council also fixes an intervention price, calculated per 100 kg live-weight. This price has for some years now been 90 % of the guide price. The intervention price is a determining factor for the calculation of the buying-in price where quantities of beef/veal are bought in on the market.

The market price is made up of a weighted average of quotations on the representative markets of the ten Member States. These quotations are recorded at national level for all bovine categories (but not for a standard category as for pigs). They are weighted among themselves on the basis of the relative share of each category in all the bovine production of each Member State, to calculate the average market price. Thus, for example, cows account for 60 % of the Dutch market price but represent only 23 % for the purposes of the calculation of the British market price.

A Community beef carcase classification was adopted in 1981. The classification has still to be supplemented by implementing regulations before the

process of fixing weight/carcase prices can be carried out on the basis of a uniform Community method.

The weighted average of prices recorded on the markets of the Member States forms a Community market price. This price is calculated weekly.

In the Community, in the last three years, the market prices for adult cattle, expressed in ECU, have consistently fallen short of the intervention prices.

2. Measures to support the Community's internal market

- Support measures include an intervention system. The intervention agencies must, on certain conditions, buy in at a given price specified categories of beef/veal.

Certain categories of steers, heifers and bulls are eligible. Normally, meat of cows is not bought in. In 1981, only meat of steers and bulls was bought in.

"High" and "low" buying-in prices are fixed for each of the categories supported. The "high" buying-in price, expressed in ECU, is directly linked to the intervention price by specific coefficients and slaughter yield percentages.

The intervention agencies buy in at a price somewhere between the high and low buying-in prices depending on the quality of the product offered to them.

- Private storage aids may be paid, covering various products (carcasses and quarters).

- Variable premiums can be paid for the slaughter of "clean cattle". Only the United Kingdom uses this facility.

- A calf premium is paid in Italy to keep up herd numbers.

- A suckler cow retention premium has been paid from the beginning of the 1980/81 marketing year; it is an income supplement for producers and is paid to farms which do not deliver milk and keep only cows producing calves for fattening.

- Certain measures have been introduced to stimulate consumption : sale of frozen meat from intervention stocks to any taker (wholesalers, processors, exporters); supply to processors of a quantity of frozen meat from intervention stocks for processing within the Community and sale of intervention meat at reduced prices to welfare institutions.

3. Trade with non-member countries

a) Imports

All categories of cattle, beef/veal and preparations covered by the common organization of the markets in the beef/veal sector are normally subject to customs duties when imported into the Community from non-member countries. Thoroughbred breeding cattle are an exception and escape duty.

In addition to import duties there are also variable levies on imports of the main products. The levy is calculated by stages :

- the basic levy is the difference between the guide price and the import price, or, for certain non-member countries, the market price. Customs duties are added.
- The levy actually applied is calculated by multiplying the basic levy by a coefficient which is derived on a weekly basis from the ratio of the market price to the guide price.
 - When the ratio exceeds 106 no levy is applied (coefficient = 0) and imports attract only customs duties.
 - From a ratio of 98 up to 100 inclusive, the coefficient is 100 and the actual levy is the same as the basic levy.
 - When the ratio between the market price and the guide price falls below 90, the basic levy is multiplied by the highest coefficient, which is 114. In this case, the market price falls below the intervention price and meat is bought in.
 - In the 100 to 106 range, the levy applied is gradually scaled down in relation to the basic levy; on the other hand, in the 98 to 90 range, it is gradually increased.
- The levies for live cattle are used to calculate the levies for meat, on the basis of coefficients.

The following example illustrates the first two phases of this calculation :

The import levies may be applied differently, depending on the type of meat, or the country of origin, on the basis of bilateral or multilateral arrangements. The countries concerned include certain ACP countries, Yugoslavia, the United States and Canada, Australia, Argentina and Uruguay.

Because sea transport takes so long, the Community operates a scheme for the advance fixing of levies in respect of certain origins.

For all imports into the Community, a 90-day licence is compulsory.

b) Exports

To enable exporters to compete on the world market, export refunds are paid on exports of bovine animals, beef or veal. The refunds are not fixed automatically, but take account of the following factors :

- the present and future situation on the world market,
- the state of the market in the Community and expected developments,
- the competitive position on the markets of non-member countries,
- trade policy factors.

Generally, the refunds are fixed on a quarterly basis, although they can be adapted between quarterly dates to allow for changes affecting market conditions.

Refunds may be varied according to the destination of the products.

Most of the refunds can be fixed in advance.

All exports must be covered by a 90-day export licence.

C. BEEF

Guarantee Threshold

4.31 Although the Community's beef production tends to follow a cyclical pattern, the long-term trend is for an increase of between 0,5% and 1% a year; meanwhile consumption of beef is expected to stagnate because of competition from lower-priced meats, and the limited growth in purchasing power of consumers. The Community has passed during the last decade from a situation of deficit to a position as a net exporter of beef.

4.32 In these circumstances, the Commission is concerned about the risk of future market imbalance in this sector. It reserves the possibility of proposing a guarantee threshold at a future date, if economic conditions justify its introduction. For the moment, it considers that the adaptation of the market organization could be limited to the following measures.

Intervention Measures

4.33 The intervention measures should be adapted, so as to conform more to market realities. The Commission will submit proposals to:

- (i) Restrict purchases to whole and half-carcases during 2 autumn months (peak period for slaughtering); limit purchases of forequarters to 5 summer months, and of hindquarters to 5 winter months.

- (ii) Apply the carcass classification grid to purchases from 1.1.1984, on the basis of the prices already proposed by the Commission in March 1983. This will have the effect of reducing purchase prices in Member States now having high coefficients and possibly increasing prices in those having low coefficients.
- (iii) Terminate all national exemptions (exemptions for "stop and go", for packaging etc.)

Premiums

4.34 The system of premiums should be adapted in the following way:

- (i) Non-renewal of calf premiums, which were introduced 10 years ago to arrest the decline of herds in Italy, and were subsequently extended for other reasons to Greece, Ireland and Northern Ireland. Since the introduction of this measure, the market situation has changed markedly, and there are large public stocks of beef in several member states, including Italy and Ireland. Its economic justification is therefore no longer valid in terms of the market organization. Moreover, the premium also applies to calves of dairy herds, and thus encourages milk production. The Commission will not therefore propose continuation of the premiums for the 1984/85 marketing year. At the same time, and for the same reasons, the import commitment for young calves for fattening should be implemented each year in a more flexible manner. It should be noted that measures in favour of beef producers in the Mediterranean regions are included in the proposed Integrated Programmes; and calves from specialised beef herds will continue to benefit from the suckler cow premium.

- (ii) Termination of variable premiums applied in the United Kingdom from the beginning of the 1984/85 marketing year. This measure, which is a partial alternative to intervention, presents numerous disadvantages because it is applicable in only one member state, thus creating problems of competition; its modalities (payable on heifers, and on whole carcasses) have also led to difficulties.

- (iii) Continuation of suckler cow premium at its current level. This should henceforth be considered as the single Community premium, for the encouragement of specialist beef producers.

External Trade

4.35 The Commission considers that the import concessions for beef, including the autonomous concessions, should be adapted in keeping with the market situation and taking account of current international agreements and of reciprocal concessions granted to the Community.

Thus, for example, the determination of the annual estimates of the quantities of frozen beef for manufacturing, and of the number of calves for fattening, should be handled more flexibly, taking account of market conditions and the internal needs of the Community. The volume of imports of Alpine breeds could also be reviewed.

Meat

Prices

The new prices for 1984/85 are shown below :

PRODUCT	ECU/t	Average percentage change as against preceding marketing year	
		ECU	national currency ¹
<u>Intervention price for beef/veal for adult bovine animals</u>			
1984/85	1 845.2	-1	+2.4
1983/84	1 863.8	+5.5	+7.6
<u>Sheepmeat</u>			
Basic price (slaughter weight)			
1984/85	4 280.4	-1	+5.0
1983/84	4 323.6	+5.5	+9.5
<u>Pigmeat</u>			
Basic price (slaughter weight)			
1984/85	2 033.3	-1	+1.3
1983/84	2 053.9	+5.5	+6.8

1 Including the effect on the prices of green rate changes since the prices were last fixed.

The guide and intervention prices for the live weight of bovine animals is maintained for a further three years.

From 1984/85 onwards, the Community scale for the classification of beef/veal carcasses is to be tried out for three years. The common prices will be adjusted in three stages. The Council notes the Commission's intention to fix, for the three years of transition to the full use of the scale, purchase prices for U 2 class carcasses bearing in mind the problems arising in this connection in particular for Vitelloni in Italy.

Additional measures

Beef/veal

To keep closer to real market conditions, whole and half carcasses will be bought in only during two months in the autumn, fore quarters during five months in the summer and hind quarters during five months in the winter.

All the national exemptions (for "stop and go", market preparation, etc.) have been discontinued.

The variable premium paid in the United Kingdom has been retained for a year, subject to a ceiling of 65 ECU, with application of a clawback to all British exports.

The calf premium has been kept on for one marketing year in Italy, Greece, Ireland and Northern Ireland but the EAGGF contribution has been cut from 32 ECU to 13 ECU. Italy alone has been authorized to pay a supplementary national premium not exceeding 19 ECU.

The premium for suckler cows and the additional premiums for the maintenance of suckler cows have been kept at their current level for 1984/85.

BEEF/VEAL

1. Introduction

Beef/veal production accounted for about 15% of the value of final agricultural production in 1983.

About 2.48 million farms, or roughly half the total in the Community, raise cattle. Between 1977 and 1983, however, the number of cattle farmers declined at an average annual rate of 2,1% and the average number of head per farm in the Community is now about 33. Land used for fodder production accounts for about 60% of the Community's UAA, and since cattle-rearing is essentially extensive it is not surprising that most beef/veal is produced in the countries with large areas of pasture.

The Community, accounting for about 15% of world production, is second among world producers ahead of the USSR but lags well behind the United States.

2. Production

(a) Cattle numbers

Because of the continued relatively low rate of slaughterings, and especially the cyclical fall in cow slaughterings, the upward trend in cattle numbers that first emerged in 1981 was maintained in 1983.

The survey of cattle numbers carried out in December 1982 gave a result of 78,8 million head, including 31,6 million cows, up 0,8% and 0,9% respectively on the previous year.

The number of calves (cattle less than one year old), which dropped in 1982, was up about 3,5% in December 1983 but the number of beef cows dropped further to end up at 5,8 million head, substantially below the six million mark.

The medium-term rate of increase in cattle numbers has been falling in recent years.

(b) Production of beef/veal

After three years of heavy slaughterings (1979-81) 1982 and 1983 saw much lower numbers of animals - both cows and heifers and adult males - sent for slaughter; calf slaughterings rose in 1983 from the comparatively low levels of 1981 and 1982.

Slaughterings

In 1983 about 20,9 million head of adult cattle were slaughtered, an increase of about 2,5% compared with 1982; in the first half of 1984 there was a sharp upturn of over 10% compared with the first half of 1983 in the number of cows slaughtered.

Given the trend in the Community cattle population, the number of adult cattle marketed in 1984 will probably show an increase of about 4%.

The number of females (cows and heifers) slaughtered should pick up strongly in the second half of 1984.

The medium-term trends in slaughterings of adult cattle on the one hand and of calves on the other have differed in previous years: up for adult cattle but down for calves.

In 1983 the figure for calf slaughterings (6,9 million head) was 2,8% higher than in 1982; during the first half of 1984 the number of calf slaughterings rose by an even greater amount (about 7%).

Slaughtering coefficient (i.e. the ratio of slaughterings to cattle numbers)

After reaching a high level in 1980 the slaughtering coefficient for adult cattle fell sharply in 1981 and 1982 and was relatively low in 1983. The slaughtering coefficient for calves was also low.

Average slaughter weight

The average slaughter weight of adult cattle in 1983 (291,3 kg) was up by nearly 1% compared with 1982; in keeping with the trend recorded in recent years, the average slaughter weight of calves in 1983 (116,5 kg) showed a sharp rise of about 2,2%. The very positive trend as regards the average slaughter weight of adult cattle is probably due mainly to fairly low prices for cattle feed until mid-1983.

Production of beef/veal

Production declined for two consecutive years following the cyclical peak in production in 1980 by 3,5% in 1981 and a further 4,0% in 1982. In 1983, however, it rose by 3,5%.

In 1983 beef production rose by 3,3% in the Community; in the first half of 1984 it rose by about 4%.

Veal production was 5,0% up in 1983 with the average slaughter weight up by 2,5 kg. In the first half of 1984 veal production rose by about 9% compared with the figure for the first half of 1983.

Production of beef/veal has been increasing at a lower average annual rate than previously in response to less favourable market conditions.

In recent years, the structure of cattle-raising has undergone far-reaching change:

- a decline in the number of cattle farmers at the rate of roughly 2% per year, mainly through the elimination of small farms, and
- a slight increase in the number of animals per farm.

Beef/veal producers fall into three main categories, corresponding to the three categories of animals reared, namely:

- cull cows and young calves (milk production),
- suckler herds and grass-reared adult cattle (bullocks),
- young male cattle fattened on cereal-based feedingstuffs (maize silage) in special production units.

As a result of the sharp expansion in the organized production of young bulls, young male animals now account for about one third of all the beef/veal produced in the Community.

3. Consumption

(a) Consumption of beef/veal

Because of the economic and employment situation in the Community (industrial production stagnant and a sharp increase in unemployment) consumption of beef/veal, despite supplies still being plentiful, remained the same in 1983 as in 1982 at around 6,6 million t.

Although supplies were still plentiful, consumption, at about 6,6 million t, was about 2% down on the 1981 figure.

Consumption of beef/veal is a function of the following factors:

- population growth, which in recent years has slowed down considerably;

- economic growth, and changes in the pattern of private expenditure in particular;
- the availability of meat on the market and the short-term fluctuations in its price;
- lastly, the size of the trading margin between producer and consumer prices.

- a. Annual per capita consumption of beef/veal rose from about 25 kg in the early seventies to about 26 kg towards the end of the seventies. In 1982, per capita consumption was about 24,4 kg, of which 21,6 kg for beef and 2,8 kg for veal.

Per capita consumption had increased until 1973 at an average rate of more than 1% per year. Because of the economic difficulties in recent years, the 1982 figure was more than 1 kg down on that for 1980.

- b. Because population growth slowed down, the overall consumption of beef/veal expanded more slowly from 1975 to 1980 than beforehand, by about 0,8% per year. Since 1980 total consumption of beef/veal has been dropping by 0,1% a year because of the unfavourable economic and employment situation.

(b) Rate of self-sufficiency

In past years, the Community had abundant supplies of beef/veal as a result of fairly steady production, import commitments entered into and intervention stocks.

Exceeding 100% in 1974 and 1975, the self-sufficiency rate fell short of that figure in the following three years. From 1979 onwards, it was well above 100%. Counting public stocks of intervention meat, the Community at the present time has more meat available than it is consuming.

However, because of the fairly marked fall in production in 1981 and 1982 the rate of self-sufficiency in 1982 moved back down, to about 101%.

In 1983, however, it rose again to 104,5%.

4. Trade

Intra-Community trade in beef/veal has been marking time in recent years at about 1,4 million t. Exports to Greece from other Member States have increased.

Since 1974, imports of beef/veal from non-member countries have averaged about 0,4 million t:

415.000 in 1978
 412.000 in 1979
 356.000 in 1980
 364.000 in 1981
 440.000 in 1982
 448.000 in 1983

Many of these imports enter the Community on special terms.

The Community's external trade

('000 t)

Period	1978	1979	1980	1981	1982	1983
Trade						
<u>Imports</u> from non-member countries:						
Beef/veal	415	412	356	364	440	448
of which: live animals ('000 head)	67 (385)	73 (451)	59 (361)	50 (310)	66 (488)	64 (505)
fresh or chilled meat	62	63	61	55	72	87
frozen meat	122	141	114	121	164	153
preserves	164	135	122	138	138	144
<u>Exports</u>	168	338	642	662	480	603
of which: preserves	38	70	30	38	38	38
Net trade balance	247	74	- 286	- 298	- 40	- 155

In 1983, exports of beef/veal to non-member countries rose to 603.000 t (carcase weight). The Community's external trade surplus in beef/veal thus amounted to 155.000 t in 1983.

The main suppliers of beef/veal to the Community in 1983 were:

- Latin American countries, especially Brazil, Argentina and Uruguay, supplying upwards of 50% of total imports and more than 70% of imports of frozen meat;
- East European countries, supplying more than 10% of total imports and nearly two thirds of imports of live animals, mainly from Poland;
- Australia and New Zealand, supplying about 4% of total imports;
- Yugoslavia, supplying around one fifth of imports of live animals and more than one quarter of the fresh and chilled meat;
- Austria, supplying about 15% of imports of live animals and about one third of imports of fresh meat;
- lastly, ACP countries (Botswana, Swaziland, Kenya and Madagascar), supplying about 7% of total imports.

The Community's main customers in 1983 were:

- Mediterranean European countries, in particular Yugoslavia, taking about 10% of total exports;
- East European countries, taking upwards of one quarter of total Community exports, the USSR taking more than 18%;
- North African countries, particularly Libya and the Maghreb countries, taking about 17% of total exports, especially of live animals;
- Middle East countries, taking about one third of total exports, with Egypt accounting for about 12%.

5. Prices

(a) Common prices

For the 1984/85 marketing year the guide price for adult cattle was fixed for the whole Community, from 2 April 1984 onwards, at 205,02 ECU/100 kg liveweight.

The guide price is the price, valid for all categories of adult cattle marketed on Community representative markets, which the Community seeks to achieve, by means of Community regulations, during a normal marketing year.

The Council has also fixed the intervention price at 184,52 ECU/100 kg liveweight, or 90% of the guide price, thereby derogating from Regulation (EEC) No 805/68 for this marketing year.

(b) Market prices

In 1981 and 1982 the average Community market price for adult cattle showed an appreciable increase of the order of 10% per year, a figure comparable to the rate of inflation. In 1983, however, the increase was only 0,5%. Average prices for adult cattle remained below the Community intervention price.

In September 1984 the Community market price for all qualities of adult cattle was running at about 153,20 ECU/100 kg liveweight, i.e. just under 75% of the guide price.

After rising appreciably for two consecutive years, the Community market price for calves went up by only 0,6% in 1983.

Prices for adult cattle

(ECU/100 kg liveweight)

Period	1979/80	1980/81	1981/82	1982/83	1983/84	1983/84	% change:
							((84/85)/
Price							(83/84)):
Guide price	154.58	160.76	172.82	191.87	207.09	205.02	- 1.0%
Intervention price	139.12	144.68	155.54	172.68	186.38	184.52	- 1.0%
Market price							
- in money terms	130.65	132.58	149.93	161.00	162.62*	153.83*	- 5.4%**
- as % of the guide price	84.8	83.0	86.1	84.2	79.7	75.0	
Import price	82.55	84.75	90.67	92.00	92.00*	86.50*	- 6.0%**

* From April to September 1984.

** Percentage change compared with the corresponding period of the previous year.

(c) Import prices

In 1982 and 1983, as a result of the world-wide economic recession, the prices of beef/veal expressed in USD fell on the world market; this fall in prices was, however, often more than offset by lower (and in some cases much lower) exchange rates for the currencies of exporting countries in the southern hemisphere. As a result, Community free-at-frontier offer prices expressed in ECU remained fairly steady, in particular in the case of frozen meat.

(d) Consumer prices

In past years consumer prices for beef/veal expressed in national currency rose at an average rate comparable to the Community inflation rate. This happened again in 1983, with an increase of still around 7% on average.

(e) Cost of animal feed

Since the sharp rise in mid-1983 of prices for protein-rich products used in animal feed, prices for commercial cattle feeds and feed grains have up to autumn 1984 shown a downward trend.

6. Outlook

- (a) At the end of 1983 the number of breeding females was very high but at the beginning of 1984 the number of females slaughtered went up sharply and the measures taken at the end of March to limit milk deliveries will accentuate the cyclical trend of cow slaughterings, in particular slaughterings of dairy cows.

In 1984, therefore, we can expect to see a large number of female slaughterings and a marked increase in beef production, the estimate being about 7,2 million t against about 6,9 million t in 1983. A further increase of 1 to 2% is expected in 1985.

In 1983 total beef/veal consumption and consumption per head remained stable at around 6,6 million t and 24,4 kg.

In view of the drop in market prices and the increased competitiveness of beef/veal with other meats, consumption is expected to increase again in the Community in both 1984 and 1985.

Given the outlook for production and consumption and the size of the present stock of intervention meat to be disposed of in coming months, the supply of beef/veal on the Community market is likely to exceed demand again next year.

Owing to a high level of production because of the numbers of dairy cattle being slaughtered the rate of self-sufficiency will be well above 100% in both 1984 and 1985.

As in 1983, export prospects on the world market are good for both 1984 and 1985 and the quantities disposed of in this may well be higher than in past years.

Market prices are very low, in particular compared with the guide price, and market prices for adult cattle are expected to recover slightly in the medium term.

- (b) There has in recent years been a sharp drop (of 10-15 kg) in per capita demand for beef/veal in most of the major countries involved in world trade in meat, with the exception of Japan and the Member States of the Community.

In other countries the shortage of foreign exchange has also adversely affected meat purchases in recent months, in particular in the case of new import markets for beef/veal.

In the major exporting countries in the southern hemisphere the production of beef/veal is sharply down as a result of both adverse weather conditions in the stockfarming areas (drought in Australasia and floods in Latin America) and a sharp rise in domestic prices, in some cases in excess of the rate of inflation in 1983/84. This price rise in real terms has led to a reluctance to send cattle for slaughter and in the short term to a reconstitution of beef production potential.

In North America, after the sharp falls in cattle numbers in recent years, production has steadied, albeit at a fairly low level, given the adverse effect of the sharp increase in cattle feed prices on the profitability of stockfarming.

Accordingly, the quantity of beef/veal available for export, in particular in the major exporting countries in the southern hemisphere with the exception of Brazil, will in 1984 and 1985 show an appreciable decrease, of about 500-600 000 t, compared with the early eighties.

Pending the expected return between now and 1986 to a level of production in these countries again much greater than their domestic demand, the economic recovery now taking place in certain countries such as the USA and Japan, combined with the still reduced export capability of the southern hemisphere countries, may well lead to an increase in world market prices in the medium term. Such a rise is at the moment firmly blocked by the dollar's recent climb as the exchange markets.

7. Economic aspects of the measures taken under the common organization of the market

(a) Market support measures

In order to support the market, the Community has continued to apply a number of measures:

- Market clearance measures:

- . granting of export refunds with the possibility of advance fixing of the amounts; it was decided to differentiate some refunds by reference to the category of animal;
- . direct buying-in by public intervention agencies:

227 000 t in 1978

330 000 t in 1979

410 000 t in 1980

280 000 t in 1981

268 000 t in 1982

445 000 t in 1983 (representing 7.3% of Community beef production).

- up to 1 September 1984, 195.000 t had been bought in, drop of 50 000 t from the corresponding period of 1983;
 - granting of private storage aid in the autumn of 1983, covering an overall quantity of about 24.000 t of hindquarters (with provision for boning and/or export after a minimum period of storage) and similar aid for the private storage carcasses, forequarters and hindquarters in autumn 1984 (from 20 August to 21 Dezember).
- Measures to encourage consumption (sale of intervention meat by intervention agencies for direct consumption, allocation of a certain amount of frozen meat from intervention stocks to industry for processing in the Community, and sales of intervention meat at special prices to welfare organizations).
- Aid measures
- possibility of granting variable premiums for the slaughter of certain beef cattle (clean cattle) in the United Kingdom;
 - granting of a calf premium in Italy, Greece, Ireland and Northern Ireland;
 - lastly, as an income supplement for producers specializing in quality meat, granting of a premium for keeping suckler cows, with effect from the 1980/81 marketing year.
- Adjustments to the intervention system

As in previous marketing years, the Commission restricted intervention buying to certain categories (male animals) and forms of presentation (carcasses, quarters) by reference to developments, mainly seasonal, in the market situation. In connection with the adjustment of the rules in this sector, the Council fixed the Community scale for the classification of beef carcasses and the Commission laid down the provisions for applying the scale and defined the arrangements for recording the market prices of beef carcasses on entry to the slaughterhouse. Since 9 April 1984 the Community scale for the classification of beef carcasses has been used for intervention buying.

(b) International agreements

In addition to the normal arrangements for importing beef/veal, the Community has entered into undertakings to import large quantities annually on the basis of bilateral and multilateral agreements.

Under the GATT, the Community opens annual tariff quotas for the import of:

- 38.000 head (18.000 on an autonomous basis) of heifers and cows of certain mountain breeds at the rate of 6%, and 5.000 head of certain Alpine breeds at the rate of 4%, other than animals intended for slaughter;
- 50.000 t (in terms of boned meat) of frozen beef/veal at the rate of 20%.

Under the arrangement for "high-quality" cuts, the Community undertook to raise, as from 1983, the annual tariff quota for fresh, chilled and frozen beef/veal imported at the rate of 20% from 21.000 t to 29.800 t, as follows:

10.000 t from the United States and Canada
5.000 t from Australia
12.500 t from Argentina
2.300 t from Uruguay,

and to import a tariff quota of 2.250 t (in terms of boned meat) of frozen buffalo meat from Australia, also at 20%.

Under the ACP/EEC Lomé Convention, special arrangements were introduced for the import of 30.000 t (in terms of boned meat) of beef/veal from Botswana, Swaziland, Kenya and Madagascar. The agreement provides for exemption from customs duties and the reduction of other import charges.

In the forward estimates for 1984, the Community provided for the possibility of importing:

50.000 t (in terms of unboned meat) of frozen beef/veal for processing;
190.000 head of young male cattle for fattening (164.000 for Italy, 25.000 for Greece and 1.000 for other Member States).

Under a trade agreement with Yugoslavia, 50.400 t of fresh or chilled baby beef may be imported annually from that country with a reduced levy.

Under an agreement reached with Austria, Sweden and Switzerland, special levies may be fixed on imports of live cattle and fresh and chilled beef/veal from those countries.

Given the distance by sea, the Community has agreed to the advance fixing of the levy for fresh and chilled meat imported from Argentina and Uruguay.

The levies on frozen meat imported from Romania, Argentina, Uruguay, Australia and New Zealand may also be fixed in advance.

Lastly, there is provision for imports with customs duties bound under GATT, i.e. with no levy or quantitative limit; this applies to pure-bred breeding animals (duty-free) and to preserves (at the rate of 26%).

8. Budgetary expenditure

EAGGF Guarantee Section expenditure on beef/veal was 1.736,5 million ECU in 1983; it is provisionally put at 2.056 million ECU in 1984 and estimated at 2.073 million ECU in 1985, i.e. 11,2% and 11,5% respectively of total Guarantee Section expenditure. The figure of 2.056 million ECU breaks down into 1.066 million ECU in refunds, 692 million ECU in intervention expenditure for public and private storage and 218 million ECU in premiums, mainly the calf premium and the suckler cow premium.

12. BEEF/VEAL

12.1. MARKET SITUATION AND PROSPECTS

The beef/veal sector had to contend with major problems in 1984, resulting in a sharp increase in the number of female animals slaughtered (+ 14% compared with 1983).

The increase in slaughterings of female animals (cows and heifers) was accounted for by the fact that kills tend to follow a cyclical pattern and that in 1984 a peak in the cycle coincided with the reduction in the dairy herd which followed the introduction of the milk quotas.

The resulting boost to meat supplies on the Community's beef/veal market - where conditions were already causing concern at the beginning of 1984 - led to a sharp fall in prices, and this in turn adversely affected all parts of the beef/veal sector.

At the end of July 1984, at a time when the market price for adult bovine animals was equivalent to 72% of the guide price - its lowest level since the market organization started operating - the Commission adopted a number of measures designed to support prices in what were exceptional circumstances.

The Community's beef/veal market reacted positively to the introduction of these measures: prices rose, although not to the level of previous years so that stocks built up appreciably as a result of intervention buying, especially during the three months in which whole carcasses were bought in.

Accordingly, stocks totalled an estimated 680.000 tonnes on 31 December 1984, as against 408.000 tonnes a year earlier, i.e. an increase of 67%.

Contracts were concluded, under the private storage aid scheme, in respect of a total of 240.000 tonnes, about 180.000 tonnes of which was actually in storage at the end of 1984.

Once the milk quotas have been phased in, the number of dairy cows will fall by 1,5% each year. This will be partly offset by a slight increase in the number of cows other than milk-breed cows and in the output of meat per cow (+ 1,7% annually). By 1991 the Community will therefore have a total of about 23 million tonnes. In other words, if milk deliveries remain at the present quota levels and if there is a slight increase in the beef/veal herd, the production figures concerned will in the long term tend to stabilize at a slightly lower level than was forecast before the milk quotas were introduced.

In 1983, demand for beef/veal within the Community steadied at 6,6 million tonnes (24,4 kg per head of the population). In contrast with price trends for pigmeat and poultrymeat, however, consumer prices of beef/veal have risen (by 1,2% annually) in real terms since 1960, despite an annual fall in producer prices - also in real terms - of 0,4%. The prospects as regards consumer incomes up to 1991 are less favourable than they were 10 years ago. Accordingly, the consumption of beef/veal per head of the population is at best likely to stabilize at 25,5 kg, and total demand within the Community will be 7,0 million tonnes in 1991 (see Fig. 11).

Fig. 12 also shows an increase in the per capita consumption of pigmeat, from 37,8 kg in 1984 to 41,6 kg in 1991. Pigmeat will therefore continue to account for the major share of meat consumption in the Community. With economic conditions fairly favourable to it, the consumption of poultrymeat per head of the population will also show a steady increase, from 14,8 kg per person in 1984 to 16,2 kg in 1991. Sheepmeat, on the other hand, is in most Member States subject to the same market constraints as beef/veal, and it is therefore felt that its consumption on a per capita basis will rise only slightly, from 3,6 kg in 1984 to 3,7 kg in 1991.

It is expected that the world market supply of beef/veal will fall appreciably in 1984 and 1985, by 0,5-0,6 million tonnes compared with the early 1980s. This corresponds to about 20% of the total quantity of beef/veal traded on the world market. While the prospects for Community exports during the period in question are fairly good, the situation could well deteriorate in the longer term once the world's traditional exporting regions resume normal production. Since the Community imports about 400.000 tonnes of beef/veal each year, a total of about 0,6 million tonnes will therefore be available for export in 1991, i.e. the equivalent of the current shortfall on the world market. The Community has, however, often exported in excess of 600.000 tonnes since 1980.

12.2. Prices

For 1984/85 the guide price for adult bovine animals was fixed at 205,02 ECU per 100 kg live weight; the intervention price for the same marketing year was fixed at 184,52 ECU per 100 kg live weight (1).

The Commission feels that, in view of the present situation, the institutional prices should be kept at the same level, since an increase, however small, would only serve to aggravate the disequilibrium between supply and demand.

It is therefore proposed that the guide price be fixed at 205,02 ECU per 100 kg live weight and the intervention price at 90% of the guide price, i.e. 184,52 ECU per 100 kg live weight. It will be recalled that at the last price fixing the Council decided that the guide price and the intervention price should, for three years, be fixed in relation to the live weight.

12.3. Intervention

At the last price fixing the Council decided that buying-in prices should, for a three-year experimental period, be fixed on the basis of the Community scale for the classification of carcasses of adult bovine animals. Single buying-in prices which replace the present system of national intervention prices are being phased in over three periods of equal duration, the 1985/86 marketing year being the second of these.

The beef/veal market is likely to improve to a certain extent in 1985, despite the continuing high level of slaughterings of dairy cows.

In Doc. COM(83)500 of 29 July 1983 the Commission set itself the aim of adapting intervention measures in a manner more in conformity with market realities. It remains convinced that on the basis of this approach it will be possible to align supply more closely with demand. This is why it intends to continue to limit periods of intervention buying as far as possible, in the light of the market situation.

(1) Council Regulation (EEC) No 868/85 (OJ No L 90, 1 April 1984, p. 30).

The Commission is also considering the use, should the need arise, of private storage aid as an additional support measure, especially during periods when only forequarters or hindquarters are being bought in.

12.4. Premiums

The Commission, as early as July 1983 (1), proposed that the premium for the slaughter of certain beef breed animals in the United Kingdom and the premium for the birth of calves should be discontinued.

The variable premium applied in the United Kingdom, which is a partial alternative to intervention, has many drawbacks, in that it is applicable in only one Member State; the scheme's detailed arrangements (i.e. the fact that the premium is payable only for heifers and whole carcasses) have also given rise to problems.

The calf premium was introduced 11 years ago to arrest the decline of herds in Italy, and was subsequently extended to Greece, Ireland and Northern Ireland. Since the introduction of this scheme, the market situation has changed markedly, and there are heavy public stocks of beef in several Member States, including Italy and Ireland. It is therefore no longer justified on economic grounds in the context of the market organization.

The first step towards discontinuing the two premiums was taken when fixing the 1984/85 prices and the Commission feels that they should not be renewed in respect of 1985/86. The suckler cow premium incorporating the single premium and the additional premium introduced by Council Regulation (EEC) No 1357/80 and No 1199/82 respectively should, however, be maintained.

(1) See paragraph 4.34, doc. COM(83) 500 of 29 July 1983.

Under Regulation (EEC) No 1357/80 the amount which may currently be granted per cow is 15 ECU, financed by the EAGGF; Member States are authorized to grant an additional national premium not exceeding 25 ECU per cow.

Ireland and, for Northern Ireland, the United Kingdom are authorized under Regulation (EEC) No 1199/82 to grant an additional premium financed by the EAGGF amounting to 20 ECU per cow, but where they do so the national premium may not exceed 5 ECU per cow.

The Commission feels that the two premiums should be kept at their present levels for the 1985/86 marketing year.

PART IV

PIGMEAT

1. The Common organization of the market for pigmeat. (1)
2. The 1984/85 prices decisions. (4)
3. The situation in the market for pigmeat. (2)
4. Price proposals for 1985/86. (5)

IV. THE COMMON ORGANIZATION OF THE MARKETS IN PIGMEAT

A. General picture of the pigmeat sector

Pigmeat accounts for about 12 to 13 % of the value of final agricultural production, coming third after milk and beef/veal, but ahead of cereals. However, it accounts for 47 % by volume of the total production of meat (not including edible offals), the largest share.

The European Community produces about 10 million tonnes of pigmeat a year, the second largest producer in the world after the People's Republic of China.

About 2.1 million holdings, with 75 million pigs, produce pigmeat in the Community, but only 38.000 holdings (1.8 %) have more than 400 animals, and this small group of large farms accounts for 42 % of the total.

Pigmeat consumption is also near to 10 million tonnes, i.e. about 38 kg per person.

The European Community is thus self-sufficient; it is true that some 200-300.000 tonnes are imported per year, but almost exactly the same quantity, in the form of processed products, is exported.

As production is not directly related to land area, there are virtually no barriers to its expansion.

B. Pigmeat : the machinery of the common organization

A common organization of the pigmeat markets was set up in 1962. It was adapted, with additional arrangements, when a single market was established in 1967.

In view of the ease with which production can be expanded, the common organization of the markets in the pigmeat sector, in contrast with a number of other market organizations, involves market support measures but no fixed price guarantees.

These measures consist essentially in internal market support and machinery governing external trade which influences supply trends.

1. Measures to support the Community's internal market

The essential factor in the arrangements for the internal market is the basic price, which corresponds to average production costs (including slaughtering) of slaughtered pigs of the commercial class II of the Community carcass classification (standard quality).

If the price of the slaughtered pig on the Community market falls to a level below 103 % of the basic price, intervention measures may be adopted. They consist either in buying in or in private storage aid. The two measures are optional.

Movements on the pig market are governed by the "pig cycle". What this means is that prices rise and fall in fairly regular cycles.

When, during a low price period, it is decided to buy in pigmeat, the buying in price is fixed somewhere between 92 and 78 % of the basic price. The intervention agency buys in at this price all the pigmeat offered with the proper presentation. This form of public intervention has in fact seldom been used.

Aids to private storage, on the other hand, have proved a flexible instrument well fitted to needs and have been used whenever a cyclical fall in prices has occurred.

2. Trade with non-member countries

Arrangements for trade with non-member countries are of the greatest importance : their continuous application allows of appropriate stabilization of prices within the Community.

- Levies are charged on imports from non-member countries. They are fixed quarterly and match the difference between cereals prices on the world market and the cereals price in the Community, related to the consumption of cereals and protein concentrates necessary for the production of pigmeat. The priority given to internal production as "Community preference" is included in the calculation of this levy in the form of a component representing 7 % of the sluicagate price.

The sluicagate price is the normal "farmgate" price - reviewed every quarter - in non-member countries operating in world market conditions and at world market costs, in particular with regard to cereals prices.

An additional amount is added to the levy matching the difference between the offer price and the sluicagate price of the product concerned. The offer price is established by the Commission on the basis of various representative components observed in international trade. The supplementary amounts may be fixed for non-member countries individually or for all countries. Where non-member countries have undertaken to comply with the sluicagate prices applicable to the products concerned, no additional amount is fixed.

For processed pigmeat products, the Community preference is accounted for by the introduction into the calculation of the levy of an additional amount of 7 to 10 % of the free-at-frontier offer price during a previous reference period.

- Exporters of pigmeat to non-member countries may claim a refund. It is normally at most the same as the levy. In practice, however, it is applied, especially for live pigs and fresh meat, much more flexibly so that Community pigmeat producers are not excessively dependent on export markets.

The refund may be differentiated according to the destination of the products to be exported.

3. Other arrangements

The common arrangements include a Community pig carcase classification. The main purpose of the classification is to allow of comparable market price quotations in all the Member States and thus to provide the right context for the uniform utilization of market organization instruments.

At the same time, the classification facilitates intra-Community trade in pigmeat and is a factor in improving quality.

Meat

Prices

The new prices for 1984/85 are shown below :

PRODUCT	ECU/t	Average percentage change as against preceding marketing year	
		ECU	national currency ¹
<u>Intervention price for beef/veal for adult bovine animals</u>			
1984/85	1 845.2	-1	+2.4
1983/84	1 863.8	+5.5	+7.6
<u>Sheepmeat</u>			
Basic price (slaughter weight)			
1984/85	4 280.4	-1	+5.0
1983/84	4 323.6	+5.5	+9.5
<u>Pigmeat</u>			
Basic price (slaughter weight)			
1984/85	2 033.3	-1	+1.3
1983/84	2 053.9	+5.5	+6.8

1 Including the effect on the prices of green rate changes since the prices were last fixed.

15. PIGMEAT

1. Introduction

The Community is the second-largest pigmeat producer in the world, after China. In 1983 pigmeat accounted for a larger percentage (42,6%) than any other meat of the total tonnage produced in the Community and for (12%) by value of gross final agricultural production. In December 1983 there were in the Community altogether 79,1 million pigs, including 8,8 million sows, on about 2 million farms.

The importance of the pigmeat sector derives from its own dynamism, which is reflected in the increasing trend towards large production units requiring little or no farmland and in the concentration of production, irrespective of the size of the Member States, along the North Sea and English Channel and in northern Italy. The resulting structural change has meant a drop in the number of pig farms, with the gradual disappearance of the small farms keeping fewer than 200 pigs or 10 sows and an increase in the pig herd per farm. Herd size varies greatly from one Member State to another: in December 1983 it averaged 283 pigs per farm in the Netherlands, 277 in the United Kingdom, 179 in Denmark, 152 in Belgium, 114 in Ireland, about 50 in Germany, France and Luxembourg, 16 in Greece and only 10 in Italy. The Community average is 42 pigs per farm.

2. Production

In 1983 the Community produced 10,5 million t of pigmeat, 3,3% more than in 1982. Despite this sharp increase, production continued to rise in the first six months of 1984. It then began to fall off, so that in 1984 production will only be slightly up on 1983.

Although successive increases had taken the pig population to record levels, the overall figure for December 1983 was 0,1% down on December 1982. Account being taken of divergent trends in pig numbers at national level, it is estimated that Germany has 30% of the Community population, France and the Netherlands 14% each, Italy 12%, Denmark 11%, the United Kingdom 10% and Belgium almost 7%.

3. Consumption

Although consumption rose from 10,10 million t in 1982 (37,3 kg per capita) to 10,21 million t in 1983 (37,5 kg per capita), it failed to keep pace with production, so that the degree of self-sufficiency rose from 101% in 1982 to 103% in 1983. Consumption is expected to rise by a further 0,5%, reducing the degree of self-sufficiency to 102,5% in 1984.

Annual per capita consumption varies considerably from one Member State to another, ranging from 58 kg in Germany to 25 kg in Italy and the United Kingdom and only 22 kg in Greece. The degree of self-sufficiency shows an even greater variation: from almost 400% in Denmark to less than 75% in Italy, Greece and the United Kingdom.

4. Trade

In line with the trend over the past ten years, intra-Community trade increased by almost 7% in 1983, when the quantities traded totalled 2,48 million t, as compared with 2,32 million t in 1982. These figures account for the bulk of world trade, including some two thirds of world exports.

INTRA-COMMUNITY TRADE IN PIGMEAT IN 1983 (1)

(tonnes)

From	To	BLEU	DENMARK	GERMANY	FRANCE	GREECE	IRELAND	ITALY	NETHERLANDS	UNITED KINGDOM	EEC
BLEU		X	281	61.130	173.621	4.055	330	60.004	28.515	18.596	346.712
DENMARK		503	X	131.522	62.888	10.082	184	64.062	897	286.891	557.029
GERMANY		19.967	551	X	16.256	12.855	1	43.598	11.654	14.611	119.493
FRANCE		10.385	98	5.824	X	198	15	16.166	586	3.032	36.304
GREECE		-	-	-	-	X	-	-	-	-	-
IRELAND		954	-	3.921	9.373	5	X	723	22	27.809	42.897
ITALY		2.347	29	22.041	9.080	187	-	X	1.753	1.456	36.893
NETHERLANDS		102.858	114	301.202	159.092	26.240	664	212.786	X	78.147	881.103
UNITED KINGDOM		1.661	193	34.815	4.728	83	48.043	256	1.306	X	91.085
EEC		138.675	1.266	560.635	435.038	53.705	49.237	397.595	44.733	430.622	2.111.506

(1) Excluding fats and offal.

The above table shows that, in intra-Community trade, the smallest Member States (Netherlands, Denmark and Belgium) are the suppliers to the largest Member States (Germany, France, United Kingdom and Italy).

The trade balance with non-member countries has altered to the Community's advantage. In 1983 Community exports to non-member countries were 20% up on 1982, totalling 327.000 t as against 271.000 t. At the same time imports from non-member countries dropped by 24% to 147.000 t, as compared with 192.000 t in 1982. Thus, in terms of quantity, the surplus of exports over imports more than doubled in 1983, totalling 180.000 t as compared with 79.000 t in 1982.

The breakdown by type of product shows that the trend was even more favourable in terms of value:

Tonnes	EXPORTS			IMPORTS			BALANCE		
	1982	1983	%	1982	1983	%	1982	1983	83/82
Live pigs	385	431	0,1	21.729	5.392	3,7	-21.344	- 4.691	- 77%
Meat and fats	56.683	107.764	33	80.824	48.386	32,9	-24.141	59.378	-346%
Lard	37.346	23.789	7,3	26.870	29.610	20,1	10.476	- 5.821	-156%
Offal	22.986	24.039	7,4	49.262	50.146	34,2	-26.276	-26.107	- 1%
Sausages, prepared and preserved meats	153.496	170.831	52,2	13.710	13.382	9,1	139.786	157.449	+ 13%
TOTAL	270.896	326.854	100	192.395	146.916	100	78.501	179.938	+129%

Under the two headings which are by far the most important in terms of value, the Community further strengthened its position as a net exporter of processed products, which account for more than half of all exports, and again became a net exporter of fresh and salted meat.

The main market for preserved products is the United States whilst Japan is the largest buyer of meat. A huge range of processed products is exported to many different countries.

As in the past, the East European countries, led by Hungary, are the Community's main suppliers but mention should also be made of Sweden and, for offal and fats, Canada and the United States. Incomplete returns for 1984 show a marked rise in imports, which should return to their 1982 level, and a sharp increase in exports, which could total almost 400.000 t, mainly because of the reopening of the Japanese and American markets to fresh and frozen meat from Denmark, in September 1983 and January 1984 respectively.

5. Prices

(a) Common prices

- Basic price

Management of the Community pigmeat market depends on the basic price, which is fixed annually for the period 1 November - 31 October and applies to Class II pig carcasses on the Community scale.

For 1983/84 the basic price was raised by 5,5% to 205,39 ECU/100 kg. For 1984/85, acknowledging the need for a cautious policy on prices, the Council lowered the institutional prices for all types of meat by 1%, so that the basic price was set at 203,33 ECU/100 kg.

- Sluice-gate prices

The sluice-gate prices, which are fixed every quarter, are considered to be the offer prices which are applied at the Community frontier by the most efficient producers under world market conditions and at which products from non-member countries may be imported without undercutting the price levels aimed at by Community market regulations. The sluice-gate prices depend on the world market prices for feed grain. Changes in the latter caused the sluice-gate prices to rise from 122,17 ECU/100 kg on 1 February 1983 to 156,87 ECU/100 kg on 1 February 1984. Since 1 August 1984 the level has stood at 153,46 ECU/100 kg.

(b) Market prices

In 1983 prices fell sharply between January and April, necessitating the reintroduction of intervention measures in the form of private storage aid between 1 February and 9 September 1983.

Having dropped to 145 ECU/100 kg in April, prices remained unchanged until July, before picking up once more in August and reaching 162 ECU/100 kg by the end of September. Prices then declined steadily, falling to 152 ECU/100 kg by the end of the year and then dropping sharply to 144 ECU/100 kg in early January 1984. Immediately after the resumption of private storage aid on 16 January 1984 prices improved strongly and by March they were back at their 1982-83 level. This level was then surpassed and since June prices have been consistently higher than 165 ECU/100 kg.

Pig carcass prices

	1.11.80 31.10.81	1.11.81 31.10.82	1.11.82 31.10.83	1.11.83 31.10.84	1.11.84 31.10.85
<u>Basic price</u>					
absolute value	158,72	176,16	194,68	205,39	203,33
% change	105,50	117,11	129,40	136,52	135,15
<u>Market price</u>					
absolute value	140,21	161,38	153,18	159,41	
% change	104,89	120,73	114,54	119,40	
as % of basic price	88,34	91,60	78,7	77,6	
<u>Sluice-gate price</u>					
absolute value	131,54	132,33	124,99	152,12	
% change	119,46	120,18	113,51	138,15	

(c) Prices in non-member countries

Of the "market economy" non-member countries, the largest producers are in North America. In the United States the upturn in production recorded in 1983 continued into the first half of 1984, keeping prices at very moderate levels. Since July production has declined appreciably but prices have remained stable at the 1983 level. Pig numbers are 9% down and production 5% down on 1983. In Canada, although production has been expanding steadily since last year and this trend should continue into 1985, prices are 10% up on 1983.

In Spain, there has been a further 3,5% increase in pig numbers (December 1983 as compared with December 1982), which has helped to maintain the steady expansion of production. In 1983 prices were on average 6% lower than in 1982, reaching a level close to the Community average.

Of the countries with state-run economies, China is the world's largest producer with almost 12 million tonnes and a pig population of some 320 million. Chinese production is on the increase, as is production in the East European countries, which are the Community's main suppliers. In Poland and Czechoslovakia pig numbers increased by 7% in 1984 whilst in Hungary they increased by 23% during the first six months of 1984. The GDR has introduced far-reaching changes in its agricultural policy. In 1984 prices of pigs for slaughter were 55% higher than in 1981, as compared with a 6% drop over the last 10 years.

(d) Consumer prices

The 1983 fall in producer prices was to a great extent passed on to consumer prices, so that the market was able to absorb much of the increase in production. The subsequent improvement in producer prices was also passed on to the consumer, after a certain time-lag, with the result that demand has been faltering since the summer of 1984.

6. Production costs

Production costs other than feed represent about 30% of the total cost of producing pig carcasses. As in previous years, these costs have been influenced by the general level of inflation and interest rates. Feed costs, on the other hand, have been affected by marked fluctuations since the summer of 1983, following the rise in the world market price for soya (being sheltered by the mechanisms of the CAP, Community cereal prices have not been affected by the impact on the world market of the PIK scheme in the United States).

Variations in pigmeat and feed prices

Member State	December 1983/1982		September 1984/1983	
	Pig carcasses	Feed	Pig carcasses	Feed
France	- 6 %	+ 17 %	+ 11 %	- 2 %
Belgium	- 8 %	+ 14 %	+ 11 %	+ 1 %
Netherlands	- 12 %	+ 12 %	+ 6 %	- 4 %
Germany	- 17 %	+ 8 %	+ 8 %	- 5 %
Italy	- 1 %	+ 11 %	+ 9 %	+ 5 %
United Kingdom	+ 2 %	+ 10 %	+ 14 %	- 1 %
Denmark	+ 3 %	+ 15 %	+ 8 %	- 21 %

The first half of the above table clearly shows the difficult position in which pig farmers have found themselves, with pigmeat prices falling steeply on the one hand and feed prices rising sharply on the other. This situation continued into the first few months of 1984 but the position then improved, as can be seen from the second half of the table, with first of all a rise in pigmeat prices and then a drop in feed prices, which became noticeable from August onwards. Since then the price of feedingstuffs has been at a level favourable to pig farmers.

7. Outlook

In 1983 and in the first half of 1984 production increased considerably but since then there has been a downward trend and the volume of production in 1984 should be about the same as the high level recorded in 1983. Moderate price levels have meant that internal consumption has been able to absorb some of the increase in supplies. External trade has also helped to ease the market situation. The increase in exports in 1984 should be even greater than in 1983, taking exports to 400.000 t. Imports, on the other hand, should return to their 1982 level, after a marked decline in 1983.

Unless, as is always possible, some health incident causes restrictions to be placed on exports and thus disturbs the Community market, pigmeat prices should remain at a high level until the first quarter of 1985, given the downward trend in supplies, whilst feed prices should settle at a level favourable to pig farmers.

In planning for the future, producers would seem already to have taken account of this rather favourable outlook. The results of the August 1984 survey of pig numbers in the Community clearly indicate that the number of breeding pigs is on the increase once more, which should mean that production will pick up in the second quarter of 1985, particularly in Denmark, the United Kingdom and the Netherlands. If this does occur, pig prices are likely to enter a new downward phase of their cycle in 1985.

8. Economic aspects of the measures taken under the common organization of the market in pigmeat

(a) Levies and refunds

Under the system of trade with non-member countries, levies and (where appropriate) additional amounts may be charged on imports and refunds may be granted on exports.

Levies followed the trend in world and Community prices for feed grain and, after successive increases in 1982 and 1983, they stood at 55,8 ECU/100 kg from 1 August to 31 October 1983. They then fell to 38 ECU/100 kg for the period 1 February–31 July 1984.

Since 1 August the levies have remained unchanged at 40 ECU/100 kg.

Additional amounts were charged on certain products and countries of origin between April and September 1983. They were again introduced on 30 November 1983 and have remained in force since then.

Market developments have necessitated frequent changes in the export refunds. In February and then again in April 1983 the refunds on non-processed products were increased, only to be reduced again in October 1983. Processed products were not affected by these variations. In December 1983 the refund on carcasses was increased. From April 1984 onwards the level of the refunds began to come down, first of all on preserved meats and then, in May, on certain cuts and processed products. In July the level of all the refunds was lowered. In October 1984 there was a further lowering of the refunds on fresh meat and processed products.

(b) Intervention

Private storage aid was reintroduced from 16 January to 20 June 1984. Such aid was granted in respect of more than 100.000 t and helped to bring about the strong upsurge in prices which was recorded immediately after the measure entered into force.

9. Budgetary expenditure

EAGGF Guarantee Section expenditure on pigmeat in 1983 totalled 145 million ECU, including 120,2 million ECU for export refunds and 24,8 million ECU for private storage aid, as compared with total expenditure of 112 million ECU in 1982 (refunds: 96 million ECU, private storage: 16 million ECU). For 1984 provision has been made for expenditure totalling 207 million ECU, i.e. 166 million ECU for export refunds and 41 million ECU for private storage aid.

The preliminary draft budget for 1985 sets aside 195 million ECU.

14. PIGMEAT

14.1. In 1983 gross internal pigmeat production reached 10,5 million tonnes, i.e. an increase of 3,3%. There was an 1,0% rise in internal demand, to 10,2 million tonnes, and net exports of pigmeat in 1983 totalled upwards of 200.000 tonnes. Consumption per head of the population increased from 37,3 kg in 1982 to 37,6 kg in 1983; it will probably reach 37,8 kg in 1984.

A further increase in pigmeat production and consumption is likely in the longer term as a result of attractive consumer prices made possible thanks to steady technical progress.

14.2. The forecasts up to 1991 are that there will be a slight increase in per capita consumption, to 41,6 kg, and that, taking the increase in population into account, consumption will reach 11,5 million tonnes overall. Net exports will remain fairly steady, at around 15.000 tonnes.

14.3. During the 1983/84 marketing year producer prices for pigmeat fell as early as October 1983, when supply reached a high level. Prices recovered in the spring of 1984 and followed an upward trend until the end of the summer, by which time a major fall in feed prices had occurred which proved beneficial to producers. The longer-term prospects will remain favourable until the spring of 1985; thereafter, the seasonal fall in prices will be boosted by a marked cyclical rise in production.

On the whole, prices in 1983/84 were 3,7% up on 1982/83 and no less than 5,0% up on the average for the three preceding marketing years, a period which includes 1981/82, during which prices were 1,2% higher than in 1983/84.

14.4. Under Council Regulation (EEC) No 2759/75 (1) the Commission is required to propose a basic price for pig carcasses. The basic price is fixed taking into account the sluice-gate price and levy applicable from 1 August each year. For the 1984/85 marketing year the basic price was fixed at 2.033,30 ECU/tonne and was brought into force on 1 November 1984.

(1) Council Regulation (EEC) No 2759/75 of 29 October 1975 on the common organization of the market in pigmeat (OJ No L 282, 1.11.1975)

14.5. The basic price must be fixed at a level at which it will help to stabilize market prices without causing structural surpluses in the Community. The basic price for pig carcasses should, in the light of the overall trend of production costs, be fixed at the same figure as last year, 2.033,30 ECU/tonne. This price will enter into force on 1 November 1985.

PART V

SHEEP AND GOATMEAT

1. The Common organisation of the market. (1)
2. Adjustment of the CAP. (3)
3. The 1984/85 price decisions. (4)
4. The situation in the market for sheep and goatmeat. (2)
5. The 1985/86 price proposals. (5)

III. THE COMMON ORGANIZATION OF THE MARKETS IN SHEEP- AND GOATMEAT

A. Overall view of the sheep- and goatmeat sector

About 10 % of the holdings in the EEC have sheep and goats.

There are about 58 million animals and the production of sheep- and goatmeat is about 75.000 tonnes in the present Community and is expanding. It accounts for only about 1.5 % of final agricultural production for the EEC as a whole, but almost 4 % in the United Kingdom, 3.5 % in Ireland, 2 % in France and more than 6 % in Greece.

More than half the stock is concentrated in less-favoured agricultural regions of the Member States and in Italy.

The Community imports large quantities of sheep- and goatmeat - about 240.000 tonnes per year - or nearly a quarter of its consumption, which falls just short of a million tonnes and is rising slowly.

B. Sheep- and goatmeat : the machinery of the common organization (1)

The common organization of the sheepmeat market is the youngest in the Community : the decision was taken long after the other common organizations had begun to operate. Adopted at the end of May 1980, the regulations for the sheepmeat market entered into force for the first time for the 1980/81 marketing year. This scheme, unlike the others, is therefore still being "run in". It will be reviewed before 1 April 1984.

This new organization has the following main features designed to allow free movement of sheepmeat in the Community whilst ensuring the maintenance of farmers' incomes and access to the EEC for countries which are traditional suppliers.

The features are :

- a price, premiums and intervention scheme,
- a system for trade with non-member countries.

(1) See also "Green Europe, Newsletter", N° 12.

1. The price, premiums and intervention scheme

a) The basic price

For each marketing year, the Council fixes a basic price for fresh sheep carcasses, having due regard, in particular, to the situation on the market, to the development outlook and to production costs for sheepmeat in the Community. This price is seasonally adjusted week by week in relation with the normal seasonal variations of the market.

b) Reference prices

For each marketing year, the Council fixes regional reference prices. The list of regions has been agreed as follows for the first two years of operation :

- Region 1 : Italy
- Region 2 : France
- Region 3 : Federal Republic of Germany, Denmark, Benelux
- Region 4 : Ireland
- Region 5 : United Kingdom
- Region 6 : Greece

For 1980/81 season, the reference prices were fixed on the basis of market prices recorded on the representative market or markets of each region concerned in 1979, or, in the regions where special conditions prevailed in 1979, on the basis of the market prices foreseen for 1980.

For the following years, one of the factors borne in mind when the reference prices are fixed is that they are to be brought steadily closer together by equal annual stages over four years so as to achieve a single Community reference price.

c) Premiums for producers

In order to maintain producers' incomes, any discrepancy between the reference price and the foreseeable market price for the relevant year is estimated annually at the beginning of the marketing season. This discrepancy is multiplied by the tonnage of sheepmeat produced in each region concerned during the previous year. The total is divided, for each region, by the number of ewes counted. The result obtained gives the estimated amount of the premium payable per ewe and per region.

A payment on account of 50 % of the estimated amount of the premium payable per ewe is paid to producers at the beginning of the year, the rest after it has ended. The balancing amount is calculated so as to ensure that the premium paid corresponds to the effective loss of income resulting from real changes in market prices.

Where sheepmeat is bought in, the maximum premium for producers is the difference between the reference price and the seasonally-adjusted intervention price in the region during the relevant period.

d) Intervention measures

- When the price on the Community market is below 90 % of the basic price and is likely to remain below this level, private storage aids may be granted.
- A seasonally-adjusted intervention price is fixed. It is 85 % of the seasonally-adjusted basic price.

When, during the period from 15 July to 15 December each year, the price on the Community market is equal to or below this intervention price and at the same time the price recorded on the representative markets of the given region is equal to or below the seasonally-adjusted intervention price, the intervention agencies in the Member States may be authorized to buy in sheepmeat if they wish to do so.

- In the event of a serious disturbance of the markets, the Council may approve intervention buying in for other periods.

e) Variable slaughtering premium

In regions where sheepmeat is not bought in, the Member State or States concerned may grant a variable slaughtering premium for sheep whenever the price recorded on the representative market or markets of the Member State or States concerned is below a "guide level" corresponding to 85 % of the basic price. This guide level is seasonally adjusted in the same way as the basic price.

This premium is equal to the difference between the seasonally-adjusted guide level and the market price recorded in the Member State or States in question.

The total amount paid in the form of this premium is deducted from the total amount to be granted in the region concerned in premiums for producers (see c) above).

Whenever live sheep or sheepmeat which have been supported by the variable slaughtering premium leave the Member States operating the premium for another Member State, action is taken to recover an amount matching this premium ("clawback") so as to avoid disturbing the smooth operation of market machinery in the region of destination.

f) There are no monetary compensatory amounts (MCAs) for sheep- and goatmeat.

2. Trade with non-member countries

The machinery for trade with non-member countries is as follows :

- there is an import levy on live animals other than pure-bred breeding animals and on meat which is chilled or frozen, salted, in brine, dried or smoked. For fresh and chilled meat, the levy matches the difference between the seasonally-adjusted basic price and the free-at-frontier offer price of the Community. For the other products, it is fixed in the same way mutatis mutandis.
- For the main products (live animals, fresh, chilled or frozen meat), the amount of levy actually charged is, however, limited to the sum (10 % ad valorem) resulting from the voluntary restraint agreements concluded with supplier non-member countries under which these countries have agreed to keep their exports to the EEC within certain limits.
- The principle of granting export refunds, uniform throughout the Community but variable according to destination. The refunds scheme has, however, not yet started.

D. SHEEPMEAT

Premiums

4.36 The principal expenditure in this sector, where a market organization was introduced only in 1980, arises from the payment of premiums to producers. The Community's level of self-sufficiency in sheepmeat is low. In view of the risk of further increases in expenditure, the Commission is of the view that the system of premiums should be modified in an appropriate way, without however radically changing the market conditions.

4.37 The Commission will therefore propose that, as from the 1984/85 marketing year, the system of premiums should be adapted in the following way:

(i) Limitation of the variable premium applied in the United Kingdom to a certain proportion of the reference price. This would result in a corresponding increase in market prices, sufficient to maintain producers' revenue.

(ii) Application of the ewe premium according to strict criteria. There should be no advance payment of the premium.

External Trade

4.38 The Commission considers that there should be an examination of the possibility of negotiation of a reduction in the quantities to be imported in the framework of the voluntary restraint arrangements with third countries, and at the same time the introduction of a minimum import price. Such an adaptation could lead to a reduction of Community expenditure in this sector, as a result of the strengthening of the market price, while maintaining the receipts enjoyed on the Community market by third country suppliers.

Meat

Prices

The new prices for 1984/85 are shown below :

PRODUCT	ECU/t	Average percentage change as against preceding marketing year	
		ECU	national currency 1
<u>Intervention price for beef/veal for adult bovine animals</u>			
1984/85	1 845.2	-1	+2.4
1983/84	1 863.8	+5.5	+7.6
<u>Sheepmeat</u>			
Basic price (slaughter weight)			
1984/85	4 280.4	-1	+5.0
1983/84	4 323.6	+5.5	+9.5
<u>Pigmeat</u>			
Basic price (slaughter weight)			
1984/85	2 033.3	-1	+1.3
1983/84	2 053.9	+5.5	+6.8

1 Including the effect on the prices of green rate changes since the prices were last fixed.

Sheepmeat

The various regional prices are to be gradually adjusted to a single common level. From 1984/85 onwards, no distinction will be made between the reference price and the basic price.

The marketing year will continue to start on the first Monday in April.

The seasonal adjustment of the basic price has been changed to allow of better adaptation of the usual seasonal changes on the Community market to production costs. The scale of the seasonal variation is 12% above and below the basic price. The minimum is in July, August and September instead of September and October, as has so far been the case.

The method of calculating the ewe premium paid to sheep farmers has been simplified. A coefficient representing the normal average level of production of lambs per ewe in the relevant region is to be applied to income losses.

The ewe premium will be fixed immediately after the end of the marketing year and will be paid to the farmer on the basis of the number of ewes raised on the farm during a minimum period. The advance payment against the ewe premium has been discontinued except for mountain areas and other less favoured areas.

Beneficiaries are defined as sheepmeat producers raising at least 10 ewes within a single Member State, except for Greece, where the minimum will be 5 ewes.

The Council noted the Commission's intention to fix, for the calculation of the ewe premium, the advance payment at 30% and the share corresponding to the production of ewe meat at 15% of total sheepmeat production.

The Council also noted the Commission's intention to continue exempting products exported from the Community from the clawback.

19. SHEEPMEAT AND GOATMEAT

1. Introduction

Sheepmeat and goatmeat account for about 2% of the Community's final agricultural production. While sheep are raised on 600.000 farms in the Community, sheep numbers are concentrated in just four of the Member States. The United Kingdom containing 38%, France 19%, Italy 18% and Greece 16% together make up 91% of the Community sheep flock. Sheepmeat accounts for about 20% by value of all meat production in Greece and about 13% each in the United Kingdom, France and Italy. For the Community as a whole the figure is about 4%.

The Community, with its output of about 730.000 t, is the world's second largest producer accounting for about 12% of its sheepmeat and goatmeat. It comes after the USSR (800.000 t) but before New Zealand (660.000 t), Australia (600.000 t), China (400.000 t) and Turkey (300.000 t).

The common organisation of the market in sheepmeat and goatmeat came into effect on 20 October 1980 (Regulation (EEC) No 1837/80 of 27 June 1980).

A report on the functioning of the common organisation of the market in sheepmeat and goatmeat (COM(83) 585 final) was presented to the Council by the Commission on 31 October 1983.

2. Production

(a) Sheep and Goat Numbers

The number of sheep in the Community, which has risen almost without interruption since 1972 (1), reached 60,8 mio in December 1983 including 41,4 mio ewes in 1983. The rate of increase, at 1,5%, was considerably lower than the 2,4% in 1982 but it varied somewhat between the Member States. Numbers fell by 2,2% in France but, apart from Luxembourg where they remained steady, rose in all other Member States. Denmark recorded a 6,8% increase, Ireland 4,7%, Germany 3,9%, Italy 3,7% and the Netherlands 2,2% (2). Ewe numbers increased by 0,9% in 1983 compared with 3,5% in 1982.

(1) The only exception was 1975. The annual rate of increase from 1973 to 1982 was 1,7%.

(2) Belgium recorded a 44,6% increase in sheep numbers but much of this was owing to change in methodology of census.

Goat numbers reached 7,9 mio in December 1983, an increase of 11,1% on 1982 (without significance, however, owing to a change in methodology of census in Greece).

(b) Production of sheepmeat and goatmeat

In 1983 production in the Community at 722.000 t was up 2,3% on 1982. It dropped by 4,3% in France, rose by 10% in Germany, 7,1% in the United Kingdom and 1,7% in Greece, but was static elsewhere. The underlying trend in production is upward since 1970 and the annual rate of increase in it from 1973 to 1982 was 2,7%.

3. Consumption

Consumption in 1983 at 974.000 t was unchanged from 1982.

Average annual consumption per head in the Community in 1983 was 3,6 kg. Greece accounts for the heaviest consumption with 14,3 kg per head per year, followed by the United Kingdom 7,5 kg and Ireland 7,4 kg, France 4,2 kg, BLEU with 1,8 kg and Italy 1,5 kg. Consumption is less than 1 kg per head in other Member States.

The long term trend in consumption is unchanged at Community level. However, the trend is downwards in both the United Kingdom (although there has been a tendency for this to level out since the establishment of the common organisation of the market) and Ireland, but upward in the other Member States.

4. Trade

(a) Non-Community countries

In 1983 imports into the Community amounted to 252.000 t, a decrease of 10,5% on 1982. The main contributors to this drop were New Zealand, down 13,1% to 194.000 t, Argentina, down 14,9%, and Hungary, down 9,9%. On the other hand imports increased from Australia by 41,5%, Poland by 27,6% and Bulgaria by 7,9%. Imports into Belgium were down 32,7%, the Netherlands 31,3%, the United Kingdom 17,8% and Italy 9,2%, but were up 55,2% in Greece and 17,6% in Germany.

Exports from the Community reached 4.500 t in 1983, a rise of 21,6% on 1982. The United Kingdom increased its exports by 52,4% and now accounts for 75% of Community exports.

(b) Intra-Community

In 1983, intra-Community trade was 97.700 t. The United Kingdom, with 49.800 t, supplied 51% while France, with 58.900 t, received 60% of the trade. The trade grew by 20,6% over 1982, the main growths being in United Kingdom, exports up from 37.600 to 49.800 t, the Netherlands (11.000 to 14.600 t), Germany (3.400 to 4.800 t) and BLEU (3.500 to 7.000 t). Exports from France and Ireland both fell by approximately 500 t to 5.700 t and 14.600 t respectively.

5. Prices

(a) Institutional prices

For the 1984/85 marketing year :

- The basic price was fixed at 428,04 ECU/100 kg for the Community as a whole a drop of 1% on 1983/84.
- The intervention price was fixed at 363,83 ECU/100 kg (- 1%) and the derived intervention price (Ireland) at 344,32 ECU/100 kg.
- The adjustment of the regional reference prices was completed and from 1984/85 onwards the reference price becomes the basic price.
- The seasonal adjustment of the basic price has been changed to allow a better adaptation of the usual seasonal changes on the Community market to production costs. The scale of the seasonal variation is 12% above and below the basic price. The minimum is in July, August and September instead of September and October, as has so far been the case.

(b) Market

In 1983 the average Community market price remained unchanged from 1982 at 369,699 ECU/100 kg. This represents a marked change from the increases of 4,3% in 1982 and 14,7% in 1981 respectively. There were, of course, appreciable differences in both price and rate of price change in the various Member States as follows:

	ECU/100 kg	Variation from		National currency	
		1982	%	variation from	1982 %
Germany	353,641	- 0,5		- 3,1	
France	427,225	9,2		13,4	
Italy	446,511	- 1,7		2,7	
Netherlands	367,796	5,3		3,3	
Belgium	423,165	2,9		8,0	
United Kingdom	259,591	- 3,9		- 3,9	
Ireland	342,855	3,4		6,7	
Denmark	283,128	3,4		4,6	
Greece	496,614	- 4,7		8,4	

In 1983, as in each previous year since the introduction of the regime, there was no trend towards the alignment of prices between Great Britain and France as can be seen below:

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984*</u>
British price as percentage of the French price	73	63	70	69	60	68

6. Outlook

The following can be expected for 1984.

(a) A further rise in the total number of sheep in the Community

To reach 61 mio head. This rise is likely to take place in certain Member States only and to differing extents. It is likely to be largest in the United Kingdom (1,6%) and Ireland (1,0%). However, in other Member States the number of sheep is expected to remain fairly steady.

(b) An increase in Community production (2,5%)

Increases in production in the United Kingdom principally, and also in France, are expected to result in a production level of 740.000 t in 1984. Production in other Member States should remain static.

(c) A moderate increase in Community consumption (1,4%)

(A rise of 14.000 t to 988.000 t). This is due to an expected increase in United Kingdom consumption of 2,9%.

* preliminary.

(d) A decrease in the Community's deficit

The balance in recent years has been as follows:

	Deficit (consumption less production) t	Self-sufficiency %
1977	280.000	68,9
1978	271.000	70,2
1979	286.000	69,4
1980	251.000	75,0
1981	232.000	75,1
1982	269.000	72,4
1983	252.000	74,0
1984 (estimate)	250.000	74,7

(e) A fall in imports from non-Community countries

Under the voluntary restraint agreements with the Community, these countries may export to it a maximum of 321.790 t (1) of live animals and sheepmeat expressed as carcase weight equivalent. In 1984 the non-Community countries in Europe will be exporting amounts close to the agreed limits. On the other hand, Australia, Argentina, Uruguay and Chile will be well below the limits and New Zealand, the major supplier, is expected to export only 195.000 t of its 245.500 t quota. Total Community imports then are expected to drop by 7.000 t to 245.000 t in 1984.

(f) Little change in the average Community market price (+ 0,7%)

This is in line with the change in the Community basic price for 1984/85 (- 1%). However, prices are likely to be up by 11,1% in Denmark, 7,7% in Great Britain due to changes in the seasonalised scale of the guide level, 3,9% in the Netherlands and by 2,7% in Greece while drops in price of 5,5% in Ireland and 4% in France, Germany and Italy are likely to occur. On this basis, the British price will reach 67,9% of the French price in 1984.

7. Supply balance for 1984

For 1984 the supply balance is estimated as follows:

(1) Including 2.290 t granted under the autonomous quota for non-Community countries which have not concluded such agreements.

Gross indigenous production	739.000 t
Total consumption	989.000 t
Consumption/production deficit	250.000 t
Import/export deficit	240.000 t
- Imports from non-Community countries	245.000 t
- Exports to non-Community countries	5.000 t
- Changes in stocks	- 10.000 t

8. Economic aspects of measures taken under the common organisation of the market

(a) Variable premium (Great Britain only)

The total paid under the variable premium scheme in the 1983/84 marketing year was 285 MECU, as against 236 MECU in 1982/83. This amounts to an arithmetic mean of 91,84 ECU/100 kg, an increase of 0,7% over the previous year and represents 35,08% of the average market price in Great Britain in 1983/84.

In the week beginning 18 July 1983, the premium reached its maximum of 193,212 ECU/100 kg, thus equalling 111,9% of the market price in the same week!

(b) Ewe premium

In the 1983/84 marketing year premiums were fixed for seven Member States and amounted in all to 220 MECU.

The amount of the premium per ewe and the increase on the previous year was as follows:

	Premium, ECU per ewe	% increase on 1982/83
Denmark	13,642	91
Netherlands	20,305	52
Luxembourg	22,500	30
Belgium	24,955	32
Germany	15,971 —	52
Ireland	18,092	70
Great Britain	11,007	149
Northern Ireland	23,574	52

The principal beneficiaries of the ewe premium were the United Kingdom 167 MECU, Ireland 35 MECU and Germany 11 MECU. By way of comparison, the amount granted in 1982/83 was 100 MECU, of which the United Kingdom received 67 MECU and Ireland 19 MECU.

On these bases the total cost of premiums (ewe premiums and variable premium) can be summarised as follows:

1982/83	307,4 MECU
1983/84	480 MECU.

The variable premium clawback (1) on exports from Great Britain have been deducted from these totals.

For the 1984/85 marketing year, the level of expenditure on both premia will be affected by changes in them arising from Council decisions on the 1984/85 price package. These changes can be summarised briefly as:

Variable premium: The changes in the seasonalised basic price and, hence, the guide level reduce the possibility of high levels of variable premium payments during the mid-summer period.

Ewe premium: The premium is now payable only on the loss of revenue incurred in the production of lamb and not on all sheepmeat as hitherto. This represents a saving of 15% on the level of ewe premium.

(c) Refunds

No refunds in 1983 or 1984. The Community has not in any case adopted implementing rules as yet.

(d) Management of the voluntary restraint agreements

The mechanisms provided for in these agreements operated normally in 1984.

(e) Intervention

No intervention in 1983 or 1984. Market prices in France, the only Member State where the possibility of intervention buying is agreed for 1984/85, were above the intervention price.

(1) Clawback amounts: 1982/83, 28,7 MECU; 1983/84, 25 MECU.

13. SHEEPMEAT AND GOATMEAT

PRICES

13.1. Review of the Community market in 1984

In 1984 production was unchanged in the various Member States except in the case of France (-2%) and the United Kingdom (+5%). Since consumption rose only in the United Kingdom (by 2%), there was a further narrowing of the difference between consumption and production.

	<u>Consumption/Production</u>		<u>Difference</u> (tonnes)	<u>Self-sufficiency rate</u> (%)
1982	975.000	706.000	269.000	72,4%
1983	974.000	719.000	255.000	73,8%
1984	989.000	739.000	250.000	74.7%

The provisional figures show that total imports into the Community were in the region of 250.000 tonnes in 1984, the same figure as in 1983.

The Community market price average in 1984 was only slightly up on 1983 (+0,7%), but this figure represents a wide variety of conditions: market prices rose by 8% in Great Britain as a result of changes introduced at the beginning of the 1984/85 marketing year in the seasonal adjustment of the basic price, but fell by about 5% in France and Ireland. The fall was less marked in the other Member States.

The total amount paid out in variable premiums in Great Britain in 1983/84 was 285 million ECU; by weight this corresponds to 35% of the average market price in 1983/84. Ewe premiums in respect of 1983/84 were fixed for eight Member States in which income losses were recorded. Total payments came to 220 million ECU.

From the above figures, the total net cost of premiums (ewe premiums and variable premiums minus clawback) (1) by marketing year may be summarized as follows :

1980/81 (5 1/2 months in the first marketing year)	84,4 million ECU
1981/82	115,3 million ECU
1982/83	307,4 million ECU
1983/84	480 million ECU

In view of the very marked increase in the total cost of premiums, the Commission takes the view that a restrained policy on institutional prices should be followed for 1985 and 1986.

13.2. Basic prices

The Commission's proposal is that the Council should fix the prices for the 1985 (nine months) and 1986 (12 months) marketing years at the same time (see "Related measures", 13.4).

(a) 1985 marketing year

In view of the market situation, the prospects for sheepmeat production and consumption and the trend as regards budget costs (see 13.1), the Commission is proposing that the basic price should be the same as for 1984/85, i.e. 428,04 ECU per 100 kg carcase weight.

In calculating income losses as a basis for premiums for producers, the basic price is to be corrected by a technical factor to take account of the fact that the arithmetic mean of the seasonally adjusted basic prices for 1985 (nine months) does not yield the standard basic price, since this price is seasonally adjusted so that the 52-week arithmetic mean is equal to the basic price.

(b) 1986 marketing year

An increase of 2% in the basic price, which accordingly goes up to 436,60 ECU/kg carcase weight.

(1) 1983/84: 25 million ECU.

13.3. Intervention prices and guide level

In the light of the above, intervention prices as calculated in accordance with Article 7(6) of Regulation (EEC) No 1837/80 and the guide level specified in Article 9 of that Regulation would be as follows :

363,83 ECU/100 kg carcase weight in 1985,
371,11 ECU/100 kg carcase weight in 1986.

The Commission is also proposing the following derived intervention prices for region 4 (Ireland) :

344,22 ECU/100 kg carcase weight in 1985,
351,10 ECU/100 kg carcase weight in 1986.

13.4. RELATED MEASURES

(a) Adoption of the calendar year as the marketing year

For reasons which were already set out in its report to the Council on the functioning of the Common Organization of the Market (1), the Commission is maintaining the proposal it put forward in connection with the price proposals for 1984/85: that the marketing year should begin on the first Monday in January and end on the day before this date in the following year. In order to make the changeover, the marketing year which begins on the first Monday in April 1985 would end on 5 January 1986 (1985 marketing year) and the 1986 marketing year will begin on 6 January 1986 and end on Sunday 4 January 1987.

(b) Maintaining the seasonal adjustment of the basic price

The amplitude of the seasonal variation would be 15% around the basic price. In addition, the minimum would always occur during a sufficiently long period (12 weeks).

(1) COM(83) final, 31 October 1983, p. 32.

(c) Limiting the variable premium to a certain percentage of the

guide level

The Commission maintains the proposal it put forward with the 1983/84 price proposals, namely that a ceiling should be placed on variable premiums at a percentage of the guide level, to be fixed by the Council each year. The ceiling proposed for 1985 and 1986 is 25% of the guide level. During periods when this ceiling is actually applied, income losses in Great Britain would not be calculated on the basis of the market price but on the guide level, seasonally adjusted and after subtraction of the variable premium actually paid.

It should be noted that this measure restores the equal treatment between the beneficiaries of the two measures which constitute intervention on the market, i.e. intervention buying on the one hand and the variable premium on the other. In actual fact, in cases of intervention buying the market price is replaced by the buying-in price for the purposes of calculating loss of income. It should also be noted that the limitation of the variable premium has the same economic aim as intervention buying, i.e. providing support for the market price.

It proposes also that the incidence of the ceiling should be limited to a percentage of the guide level, to be fixed by the Council each year. The limit proposed for 1985 and 1986 is 5% of the guide price. Thus amended, the proposal would mean that when the difference between the seasonally adjusted guide level and the weekly market price, expressed as a percentage of the guide level, is

- less than 25%, the variable premium would be equal to the actual amount of that difference;
- between 25% and 30%, the variable premium would be limited to 25% of the guide level;
- more than 30%, the variable premium would be the actual amount of that difference, less an amount corresponding to 5% of the guide level.

(d) Minimum import prices

In view of the measures unilaterally introduced by New Zealand to ensure that export prices are kept at a "reasonable" level, the Commission does not feel that a formal agreement on minimum import prices is needed.

(e) Specific basic price for region 1

In view of the experience gained as regards the recording of market prices the Commission proposes that in region 1 the market price of sucking lamb carcasses be recorded. The income loss, if any, would be equal to the difference between a specific basic price and the average price recorded in region 1 during a marketing year. As in the case of the other regions, the amount of the ewe premium would be calculated as laid down in Article 5(3) of the basic Regulation.

The Commission proposes that the specific basic price be initially fixed for 1986 (for 1985 the arrangements currently in force as regards the recording prices would be maintained).

Accordingly, it proposes also that, from the beginning of the 1986 marketing year, the provision laid down in Article 5(5) of the basic Regulation, that the premium applicable in region 2 can be paid in region 1 provided the ewes have given birth to lambs which were slaughtered after the age of two months, should be no longer applicable.

The level of the specific basic price to be proposed will be determined in a manner which safeguards the advantages acquired under the provision referred to in the foregoing subparagraph.

(f) Premium paid to producers

The Commission maintains the proposal it presented to the Council on 29 March 1984 (1), that a premium be paid to holders of goats in region 1. It feels that that proposal will be easier to adopt if the measures described in (e) above are implemented, since the link between the premium in region 1 and that in region 2 will have been severed. Accordingly, the premium per goat in region 1 would be equal to the ewe premium as calculated in accordance with the method described in (e).

(1) Doc. COM(84)184 final.

PART VI

EGGS AND POULTRY

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1. The common organisation of the markets for eggs and poultry. (1)

2. The situation in the markets for eggs and poultry. (2)

V. THE COMMON ORGANIZATION OF THE MARKETS IN EGGS AND POULTRY

A. Overall picture of the eggs and poultry sector

In the Community, the production of eggs in shell and of meat of farmyard poultry (hens, ducks, geese, turkeys and guinea-fowl) totals about 4 million tonnes; the share of this in final agricultural production is 3.5 % for eggs and 4 % for poultrymeat.

The annual consumption of eggs is about 14 kg per person, and the figure for poultrymeat is about the same. The increase in recent years has been relatively sharp, particularly in respect of poultrymeat. The Community is practically self-sufficient for eggs but exports of poultrymeat are tending to increase, especially to countries in the near and middle east with high purchasing power (the OPEC countries). In 1980, figures for exports were 320.000 tonnes, and the rate of self-sufficiency was 107 %.

Like production of pigmeat, production of eggs and poultrymeat are in fact essentially grain processing operations. Consumers in the Community have always been able to buy both products at very good prices : there are few other production and marketing sectors in which technical and organizational progress has been as rapid as in respect of eggs and poultrymeat.

B. Eggs and poultrymeat : the machinery of the common organization

1. Prices and trade

Since 1962, there have been common organizations of the markets for eggs and poultry allowing of free movement of some 50 products between the Member States of the Community. Preference is given to products of Community origin over those produced in non-member countries.

In contrast with the market organizations for many other agricultural products, there is no system guaranteeing farmgate prices. Prices are formed on the market on the basis of supply and demand; the producers are therefore themselves mainly responsible for the maintenance of market equilibrium through guidance and adaptation of supply and for the establishment of prices covering production costs. The market organization supports these efforts only through a Community system of external trade.

In the absence of an autonomous price system, the instruments of trade policy, including additional amounts and refunds, are used as fully as possible, especially as dumping is a fairly constant occurrence on the world market.

The system is based on the main factor in poultry production : cereals. It comprises the following four instruments :

a) The sluicagate price

This is the price at which non-member countries should normally be offering their products at the Community frontier; it is made up of the cost of feed grain at world market prices plus an amount comprising other animal feed costs, production overheads and marketing costs.

b) The levy

This is an amount charged on imports; it is calculated mainly on the basis of the difference between Community prices and world prices for the quantity of feed grain needed for the production, in the Community, of 1 kg of the relevant product.

c) The additional amount

The additional amount is added to the levy when a non-member country offers a product below the sluicagate price; it is calculated on the basis of the difference between the latter price and the offer price. The offer price is established by the Commission on the basis of various representative components recorded in international trade in eggs and poultry.

d) Refunds

To ensure that Community operators can take part in world trade in eggs and poultry, a refund can be paid on exports which normally offsets the difference in prices between the Community and the world market

2. Other arrangements

- a) Among the many arrangements made under the common organization of the markets, an important regulation is that on egg marketing standards. These trade standards give specific rules concerning quality and weight grading, packaging, storage, transport and labelling and presentation (including dating). They have allowed of free and unhindered trade

between the Member States and have, in particular, improved the quality of eggs to the benefit of farmers, traders and consumers.

- b) All the provisions of a Council regulation fixing common standards for the water content of chilled and frozen hens and chickens should have entered into force on 1 April 1981. All the necessary legal instruments have been adopted at Community level. So far, however, not all the Member States have made the necessary administrative arrangements for this regulation and this is delaying the implementation of the standards.
- c) For ovoalbumin and for lactoalbumin, two very similar products not listed in Annex II of the Treaty setting up the European Economic Community, special trade arrangements have been made because of the close economic link between these products and other egg products.

They are much the same as those for eggs. However, instead of a levy, there is an amount chargeable on imports derived from the levy on eggs in shell.

EGGS

1. Introduction

The relative value of egg production in the Community may be gauged from recent estimates:

	<u>1981</u>	<u>1982</u>
Eggs/livestock products	6,1%	5,3%
Eggs/total agricultural production	3,5%	3,0%

National figures indicate that undertakings with more than 10.000 layers at present account for more than 50% of production in most Member States and up to 75% in the United Kingdom and the Netherlands. Greece and Luxembourg, which account for about 3% of Community production, are the only countries where production is still relatively unconcentrated.

According to FAO and USDA statistics, the Community, which in 1982 was the second largest egg producer in the world, after China and before the United States, was overtaken in 1983 by the Soviet Union. It remains the number one exporter, ahead of the United States. This corresponds to 14% of world production and 33% of world exports (eggs in shell and egg products), not including intra-Community trade.

2. Production, consumption and trade

In 1983 Community egg production (4,2 million t) was 1,5% down on the previous year. The serious crisis on the egg market, which began after Easter 1982, led to a decrease of layer chick placings in 1982 and 1983. This began to have an appreciable impact on production from May 1983 onwards. During the first half of 1984, supply was still down on the previous year, but it rose again during the second half. Now, towards the end of the year, the market situation is therefore again unstable.

Consumption decreased slightly from 3,87 million t in 1982 to 3,84 million t in 1983. In most Member States this year there is a tendency for consumption to stagnate or even decline. Favourable prices and advertising campaigns have been unable to halt this trend. Per capita consumption has remained unchanged for several years.

Intra-Community trade, accounting for one eighth of production, increased by 3,6% in 1983. Two thirds of this trade consisted of exports mainly from the Netherlands, Belgium and France to Germany. Italy was the second largest buyer in 1983.

The measures adopted by the United Kingdom following the judgment of the Court of Justice in July 1982 (national measures to combat Newcastle disease) enabled trade to be resumed in 1983, with eggs being supplied to this Member State mainly from the Netherlands and France.

The volume of trade with non-member countries in 1983 is estimated at 186.000 t: 151.000 t of exports and 35.000 t of imports (1). Exports of eggs for consumption were 8% down on 1982, not only to Middle East countries (Iraq, Saudi Arabia and Egypt), but also to Switzerland and Austria as these importing countries have been producing more eggs themselves. In 1984, exports have continued to decline, with a 33% fall over the first eight months. Exports of hatching eggs, on the other hand, are still showing an upward trend (+ 2,7% in 1983, + 6,5% in the first eight months of 1984).

Imports of eggs in shell, most of which enter the Community under inward processing arrangements (for re-export after processing), increased in 1983 and 1984 because more eggs were available from non-member countries in Europe. The volume of these imports remains well below 0,5% of Community production, however. As regards hatching eggs (turkeys), purchases in non-member countries were well down in 1983.

3. Prices

The fall in Community supply in 1983 restored prices to a satisfactory level from August 1983 onwards. Although supply remained low during the first half of 1984, the egg market showed the expected drop in prices after Easter. Although this was due primarily to the seasonal fall in demand, it was accentuated this year by the decline in exports. Even though prices stabilized at the end of July, the current market situation is unstable on account of a new increase in supply in several Member States and uncertainty about export outlets. The difficulties of many producers could ease, however, if the recent drop in feed prices continues.

(1) Eggs in shell and egg products as eggs-in-shell equivalent.

4. Outlook

Despite the unsatisfactory market situation since May, layer chick placings showed an upward trend this summer in some Member States. In the short term, Community supply can therefore be expected to continue to expand slightly, with the risk of a fresh market crisis in the second quarter of next year.

In the medium term, a very prudent production policy should be pursued, principally on account of declining per capita consumption in the Community and the limitations of the world market. The world market's absorption capacity is actually decreasing as production units are being set up in importing countries.

5. Measures taken under the common organization of the market

(a) Sluicgate prices were raised after 1 August 1983, but were reduced on 1 August 1984 in line with the trend in feed grain prices on the world market. Levies, which are based essentially on the difference between feed grain prices in the Community and on the world market, have followed a contrary trend.

(b) Refunds on eggs in shell, which had been cut several times between September 1983 and March 1984, were set at 15 ECU/100 kg on 21 September 1984 in view of the Community market situation. Refunds on hatching eggs and egg products were adjusted in a similar manner on the same dates.

(c) On 1 July 1984, a Council Regulation amending certain marketing standards for eggs entered into force. The new provisions aim to improve consumer information by requiring that the packing period be clearly marked and allowing additional particulars to be given on small packs. However, detailed rules still have to be adopted by the Commission before information on the farming method and the origin of the eggs may be indicated on the pack.

(d) During 1984 the Council continued its examination of the Commission proposal for altering the coefficients and standard amounts for calculating the levies and sluicgate prices for eggs, but failed to reach an agreement.

6. Budgetary expenditure

Expenditure by the EAGGF Guarantee Section on eggs, all of which is for refunds, amounted to 30,4 million ECU in 1983 (0,2% of total guarantee expenditure). The figure entered in the 1984 budget is 33 million ECU and the estimate for 1985 is 36 million ECU.

POULTRYMEAT

1. Introduction

The relative value of poultrymeat production is still fairly similar to that of eggs, i.e. together about 14% of livestock production and 8% of total agricultural production. The figures relating to poultrymeat are :

	<u>1981</u>	<u>1982</u>
Poultrymeat/livestock products	7,8%	7,8%
Poultrymeat/total agricultural production	4,5%	4,4%

Poultrymeat production is still characterized by concentration and by various forms of vertical and horizontal integration. The degree of concentration, particularly in the chicken sector, is greater than in the egg sector, since in the northern countries of the EEC more than 90% of production is accounted for by holdings with more than 10.000 birds. However, concentration is less marked in France, Italy and Belgium, where traditional forms of production and marketing (roped chickens) are still fairly important. This is also true of Greece, which accounts for about 3% of Community production.

In 1983, with 14% of world production, the Community was, after the USA, the world's second largest producer not only of all poultrymeat but also of chickens and turkeys. It remains the largest exporter, ahead of Brazil, the USA and Hungary.

2. Production, consumption and trade

For the first time since 1973, total Community production (4,32 million t) decreased in 1983 by 2,6%. This decline took place in all the Member States except for Italy, Ireland, Denmark and Greece. It is continuing in 1984, although at a slacker pace. The greatest reduction was in chicken production, which fell from 3,0 million t in 1982 to 2,88 million t in 1983. Because of falling demand for frozen chicken in Europe and keen competition on the world market, production had to be scaled down significantly in 1983, particularly in Germany, France and the Netherlands. As a result of this adjustment, supply in the Community has stabilized in 1984.

Turkey production (700.000 t per year), which rose by a further 4% in 1983, has dropped slightly in 1984 (-0,8%), mainly because of the reduction in Italy.

Exact figures cannot be given for the recent development of consumption, as the supply estimates have failed to take full account of the variations in poultrymeat stocks since 1982. Nevertheless it is likely that consumption per head increased by 100 g per year in 1983 and 1984, in view of healthy sales of fresh meat and new derived products (cuts and processed turkey products).

Intra-Community trade in slaughtered poultry increased in 1983, but there was no change in the case of live birds. The decline in deliveries to Germany was more than made good by the resumption of trade with the United Kingdom.

Exports to non-member countries in 1983 totalled 446.000 t, mainly chickens (410.000 t) for the Middle East and the USSR. This represents a slight increase (1%) over the previous year (1). Thus the Community was able to maintain its position on the world market, the overall volume of which remained fairly stable in 1983, following a sharp drop in 1982. During the first three months of 1984, however, demand on the world market slackened again. As a result, exports from all the exporting countries decreased. As far as the Community is concerned, the loss of exports during the first eight months of 1984 probably amounted to 27%.

Imports represent 1,5% of consumption. They comprise mainly geese and ducks from East European countries (27.000 t in 1983). Imports of turkey meat including uncooked turkey preparations decreased in 1983 (by 1.000 t), as did those of other poultrymeat preparations, as a result of increased offer prices for the imported products. In 1984 there was a further drop in such imports, particularly from the USA.

3. Prices

The trend in chicken prices in 1983 still reflected the serious crisis on the market for frozen chickens, particularly in Germany, the Netherlands and Denmark.

Supplies were less plentiful in 1983, but it was not until the end of the year that prices responded and reached a satisfactory level, which has stabilized in 1984. Prices of fresh chickens and of other poultry, on the other hand, generally remained firm last year.

In 1983 consumer prices of chickens fell in Germany and the Netherlands, but rose slightly in the other Member States.

4. Outlook

As already mentioned in the previous report, Community poultrymeat production slowed down in 1983 for the first time since the common organization of the market was established. This is attributable to a drop in chicken production, which is not only feeling the effects of far-reaching changes in consumption patterns in Europe (preference for fresh chickens, cuts and preparations), but is also facing a decline in the medium term in world market demand. The need to adapt to these new market conditions justifies the cautious policy being pursued by the slaughterhouses, which seem to be expecting production to expand only slowly in 1985.

- (1) The figures given here must not be confused with the data contained in Table M.17.3, as the latter have been calculated differently for the purposes of a consistent EUR 10 supply balance.

Although the general outlook for turkeys in 1983 was more optimistic, increased competition from other meats has made a less expansionist policy necessary in this sector as well in 1984. It seems unlikely that production will expand by much in 1985, except in Germany where demand seems to be picking up in a situation where consumption is below the Community average.

5. Measures taken under the common organization of the market

- (a) Following the trend in feed grain prices on the world market, sluice-gate prices were increased in August 1983 and reduced slightly on 1 August 1984. Levies, which reflect the difference between Community and world market prices for feed grain, followed the opposite course.
- (b) In view of the Community market situation and the conditions of competition on the world market, refunds for chickens were reduced on several occasions from 20 ECU/100 kg on 14 September 1983 to 13 ECU/100 kg on 6 June 1984.

6. Budgetary expenditure

Being limited to refunds, expenditure by the EAGGF Guarantee Section on poultrymeat amounted to 92,9 million ECU in 1983 (equivalent to 0,6% of total EAGGF Guarantee Section expenditure).

Expenditure provisionally stands at 92 million ECU in 1984 and is estimated at 100 million ECU in 1985.

PART VII

Statistical annexe covering each of the meat regimes. (6)

43 EAGGF Guarantee Section expenditure by sector

(Mio ECU)

Sectors	1981 (1)		1982 (1)		1983 (1)		1984 (2)		1985 (2)	
	Mio ECU	Mio ECU	%	Mio ECU	%	Mio ECU	%	Mio ECU	%	
1	2	3	4	5	6	7	8	9	10	
Cereals	1 921,4	1 824,5	14,7	2 441,2	15,3	1 935,0	10,5	2 672,0	14,8	
Refunds	1 206,3	1 064,9	8,6	1 525,0	9,6	1 151,0	6,3	1 388,0	8,8	
Intervention, of which:	715,1	759,6	6,1	916,2	5,7	784,0	4,2	1 084,0	6,0	
— production refund	129,2	135,4	1,1	129,7	0,8	179,0	0,9	159,0	0,9	
— aid for durum wheat	171,2	165,8	1,3	218,5	1,4	220,0	1,2	221,0	1,2	
— storage	341,7	453,4	3,7	568,0	3,5	384,0	2,1	704,0	3,9	
Rice	21,7	30,3	0,4	92,9	0,6	95,0	0,5	97,0	0,5	
Refunds	17,2	41,0	0,3	67,9	0,4	71,0	0,4	73,0	0,4	
Intervention	4,5	9,3	0,1	25,0	0,2	24,0	0,1	24,0	0,1	
Sugar	767,5	1 241,9	10,0	1 315,2	8,3	1 602,0	8,7	1 381,0	7,7	
Refunds	409,2	744,0	6,0	758,1	4,8	1 140,0	6,2	996,0	5,5	
Intervention, of which:	358,3	497,9	4,0	558,1	3,5	462,0	2,5	385,0	2,2	
— refund of storage costs	344,3	489,9	3,9	550,5	3,5	446,0	2,4	370,0	2,1	
Olive oil	442,7	493,1	4,0	675,3	4,3	888,0	4,8	875,0	4,9	
Refunds	2,9	8,8	0,1	9,7	0,1	24,0	0,1	19,0	0,1	
Intervention	439,8	484,3	3,9	665,6	4,2	864,0	4,7	856,0	4,8	
Oils and fats	582,7	720,7	5,8	945,6	5,9	748,0	4,1	1 143,0	6,3	
Refunds	5,4	3,8	0,1	3,7	0,0	5,0	0,0	5,0	0,0	
Intervention, of which:	577,3	716,9	5,8	941,9	5,9	743,0	4,1	1 138,0	6,3	
— colza, sunflower, rape seed	566,1	703,0	5,7	924,8	5,8	706,0	3,8	1 084,0	6,0	
— soya beans	2,2	7,3	0,1	6,2	0,0	29,0	0,2	38,0	0,2	
— flax seed	8,6	6,7	0,1	14,5	0,1	7,0	0,0	15,0	0,1	
Protein products	65,5	82,8	0,7	142,3	0,9	179,0	1,0	150,0	0,8	
Refunds	—	—	—	—	—	—	—	—	—	
Intervention, of which:	65,5	82,8	0,7	142,3	0,9	179,0	1,0	150,0	0,8	
— peas, broad beans, field beans	31,4	41,1	0,3	84,6	0,5	133,0	0,7	104,0	0,6	
— dried fodder	34,1	41,7	0,4	57,7	0,4	45,0	0,2	43,0	0,2	
Textile plants and silk worms, of which:	72,3	116,4	0,9	160,0	1,0	141,0	0,8	210,0	1,2	
— flax and hemp	17,0	19,5	0,1	19,3	0,1	24,2	0,1	24,0	0,1	
— cotton	54,9	96,2	0,8	140,1	0,9	116,0	0,6	185,0	1,0	
Fruit and vegetables	641,1	914,3	7,4	1 196,1	7,5	1 343,0	7,3	1 175,0	6,5	
Refunds	42,8	59,5	0,5	58,1	0,4	64,0	0,3	72,0	0,4	
— fresh	40,9	53,1	0,4	51,9	0,4	57,0	0,3	64,0	0,4	
— processed	1,9	6,5	0,1	6,2	0,0	7,0	0,0	8,0	0,0	
Intervention	598,3	854,8	6,9	1 138,0	7,1	1 279,0	7,0	1 103,0	6,1	
— fresh	180,0	305,3	2,5	397,9	2,5	454,0	2,5	330,0	1,8	
— processed	418,3	549,5	4,4	740,1	4,7	825,0	4,5	773,0	4,3	
Wine	459,4	570,6	4,6	659,2	4,1	1 107,0	6,0	647,0	3,6	
Refunds	25,8	31,9	0,3	20,2	0,1	25,0	0,1	33,0	0,2	
Intervention, of which:	433,6	538,7	4,3	639,0	4,0	1 082,0	5,9	614,0	3,4	
— aid for private storage	85,7	108,4	0,9	142,5	0,9	143,0	0,8	91,0	0,5	
— other (especially distillation)	314,9	390,5	3,1	391,4	2,5	765,0	4,2	375,0	2,1	
Obligatory distillation of the by-products of wine-making	6,3	9,0	0,1	63,1	0,4	55,0	0,3	49,0	0,3	
Tobacco	361,8	622,6	5,0	671,3	4,2	795,0	4,3	773,0	4,3	
Refunds	5,8	17,3	0,1	27,9	0,2	31,0	0,2	31,0	0,2	
Intervention	356,0	605,3	4,9	643,4	4,0	764,0	4,1	742,0	4,1	
Other sectors, of which:	46,7	53,4	0,4	55,6	0,3	55,0	0,3	49,0	0,3	
— seeds	38,8	43,5	0,4	43,0	0,3	44,0	0,2	40,0	0,2	
— hops	5,9	5,4	0,0	8,2	0,0	10,0	0,1	9,0	0,0	
Milk products	3 342,7	3 327,7	26,8	4 396,1	27,6	5 811,0	31,6	5 132,0	28,5	
Refunds *	1 886,3	1 521,3	12,3	1 326,8	8,3	2 129,0	11,6	2 212,5	12,3	
Intervention, of which:	1 456,4	1 806,4	14,6	3 069,3	19,3	3 682,0	20,0	2 919,5	16,2	
— aids for skimmed milk	1 157,4	1 310,5	10,6	1 630,7	10,2	1 908,0	10,4	1 859,9	10,3	
— skimmed milk storage	83,4	135,4	1,1	634,5	4,0	808,0	4,4	785,9	4,4	
— butter storage	214,7	196,6	1,6	410,8	2,6	837,0	4,5	942,3	5,2	
— butter disposal	211,8	414,1	3,3	496,4	3,1	629,0	3,4	199,1	1,1	
— cost milk producers	-478,5	-537,3	-4,3	-527,4	-3,3	-972,0	-5,3	-1 283,0	-7,1	
— extension of the markets	106,2	105,7	0,9	154,2	1,0	239,0	1,3	201,9	1,1	
Beef and veal	1 436,9	1 158,6	9,3	1 736,5	10,9	2 056,0	11,2	2 073,0	11,5	
Refunds	825,2	643,5	5,2	828,2	5,2	1 066,0	5,8	1 099,0	6,1	
Intervention, of which:	611,7	515,1	4,1	908,3	5,7	990,0	5,4	974,0	5,4	
— public and private storage	393,1	341,5	2,7	632,4	4,0	692,0	3,8	784,0	4,3	
— premiums for calving	102,4	74,4	0,6	103,0	0,6	124,0	0,7	83,0	0,5	
— premiums for suckler cows	95,4	91,4	0,7	91,1	0,6	94,0	0,5	79,0	0,4	
Sheepmeat and goatmeat	191,5	251,7	2,0	305,6	1,9	509,0	2,8	390,0	2,2	
Refunds	—	—	—	0,0	0,0	0,0	0,0	0,0	0,0	
Intervention	191,5	251,7	2,0	305,6	1,9	509,0	2,8	390,0	2,2	
Pigmeat	154,6	111,6	0,9	145,0	0,9	207,0	1,1	182,0	1,0	
Refunds	132,6	96,1	0,8	120,2	0,7	166,0	0,9	151,0	0,8	
Intervention	22,0	15,5	0,1	24,8	0,2	41,0	0,2	31,0	0,2	
Eggs and poultrymeat	83,9	103,9	0,8	123,3	0,8	126,0	0,7	127,0	0,7	
Refunds	83,9	103,9	0,8	123,3	0,8	126,0	0,7	127,0	0,7	
— eggs	18,1	24,2	0,2	30,4	0,2	33,0	0,2	34,0	0,2	
— poultrymeat	65,8	79,7	0,6	92,9	0,6	93,0	0,5	93,0	0,5	
Non-Annex II products	282,4	414,4	3,3	343,2	2,2	351,0	1,9	365,0	2,0	
Refunds	282,4	414,4	3,3	343,2	2,2	351,0	1,9	365,0	2,0	
Fishery products	28,0	34,0	0,3	25,7	0,2	42,9	0,2	24,1	0,1	
Refunds	12,6	13,8	0,1	8,2	0,1	13,5	0,1	0,5	0,0	
Intervention	15,4	20,2	0,2	17,5	0,1	29,4	0,1	23,6	0,1	
Total common organizations of markets	10 902,8	12 092,5	97,5	15 431,1	96,9	17 990,9	97,8	17 465,1	96,9	
Accession compensatory amounts (ACA) in intra-Community trade	0,1	0,4	0,0	0,3	0,0	1,0	0,0	1,0	0,0	
Monetary compensatory amounts (MCA) — intra-Community trade	238,3	312,7	2,5	488,3	3,1	409,0	2,2	118,0	0,7	
— extra-Community trade	-317,0	23,6	0,2	149,1	1,0	54,0	0,3	-7,0	-0,0	
	270,7	289,1	2,3	339,2	2,1	355,0	1,9	125,0	0,7	
Total common organizations of markets + ACAs + MCAs	11 141,2	12 405,6	100,0	15 919,7	100,0	18 400,9	100,0	17 584,1	97,6	
Community compensation measures Special measures to reduce stocks						—	—	112,0	0,6	
						—	—	328,0	1,8	
Grand total	11 141,2	12 405,6	100,0	15 919,7 (4)	100,0	18 400,9 (5)	100,0	18 024,1	100,0	

Source: EC Commission, Directorate-General for Agriculture.

(1) The items of expenditure are taken from the statements submitted by the Member States under the system of advances and are charged to a given financial year under Article 109 of the Financial Regulation.

(2) Supplementary and amending budget No 1/84, transfers Nos 14 and 21 included.

(3) 1985 draft budget.

(4) This amount does not take into account a sum of -108,1 Mio ECU by way of accounts clearance for 1976/77. With this amount, the total becomes 15 841,6 Mio ECU.

(5) This amount does not take into account a sum of -25,0 Mio ECU by way of accounts clearance for 1978/79. With this amount, the total becomes 18 375,9 Mio ECU.

M.14.1 Cattle numbers
(December of previous year)

	1 000 head			% TAV		
	1982	1983	1984	»1983« »1975«	1984 1983	
1	2	3	4	5	6	
Deutschland	14 992	15 098	15 552	0,6	3,0	
France	23 493	23 656	23 519	-0,1	-0,5	
Italia	8 904	9 127	9 221	0,8	1,0	
Nederland	5 046	5 192	5 359	1,5	3,2	
Belgique/België	2 859	2 896	2 963	0,3	2,3	
Luxembourg	213	219	220	0,6	0,4	
United Kingdom	12 958	13 177	13 157	-1,0	-0,2	
Ireland	5 758	5 783	5 812	-1,2	0,5	
Danmark	2 890	2 857	2 876	-0,9	0,7	
	EUR 9	77 113	78 006	78 679	0,0	0,9
Ellas		824	785	769	-1,4	-2,0
	EUR 10	77 937	78 791	79 448	0,0	0,8

Source: Eurostat.

M.14.2 Beef and veal supply balance

EUR 10

	1 000 t ⁽¹⁾			% TAV	
	1981	1982	1983	»1982« »1974«	1983 1982
1	2	3	4	5	6
Gross domestic production	6 990	6 663	6 909	1,1	3,7
Net production	6 928	6 654	6 898	0,7	3,7
Changes in stocks	-150	20	178	:	790,0
Imports (2)	314	374	384	4,4	2,7
Exports (2)	562	392	500	8,6	27,6
Intra-Community trade (3)	1 354	1 398	1 412	3,6	1,0
Internal use (total)	6 830	6 616	6 604	0,2	-0,2
Gross consumption (kg/head/year)	25,2	24,4	24,3	0,0	-0,4
Degree of self-supply (%) (1)	102,3	100,7	104,6	0,9	3,9

Source: Eurostat and EC Commission, Directorate-General for Agriculture.

(1) Carcass weight.

(2) Total trade, with the exception of live animals.

(3) All trade, including live animals (figures based on imports).

M.14.3 Net beef and veal production (adult bovine animals and calves) ⁽¹⁾

		1 000 t ⁽²⁾			% TAV	
		1981	1982	1983	»1982« »1974«	1983 1982
1	2	3	4	5	6	7
Adult bovine animals	Deutschland	1 465	1 402	1 413	1,6	0,8
	France	1 504	1 394	1 449	1,1	3,9
	Italia	951	951	987	0,6	3,8
	Nederland	302	286	297	1,7	3,8
	Belgique/België	273	241	248	- 0,3	2,9
	Luxembourg	8	8	9	- 1,5	12,5
	United Kingdom	1 041	961	1 039	- 0,3	8,1
	Ireland	315	344	343	0,4	- 0,3
	Danmark	235	228	236	1,1	3,5
		EUR 9	6 094	5 815	6 021	0,8	3,5
	Ellas	78	78	77	0,2	- 1,3
	EUR 10	6 172	5 893	6 098	0,8	3,5
Calves	Deutschland	68	69	73	0,4	5,8
	France	333	352	362	0,6	2,8
	Italia	160	155	160	3,1	3,2
	Nederland	135	135	154	3,3	14,1
	Belgique/België	37	33	35	3,8	6,1
	Luxembourg	0	0	0	0,0	0,0
	United Kingdom	5	5	6	- 9,4	20,0
	Ireland	1	1	1	0,0	0,0
	Danmark	2	2	3	- 8,3	50,0
		EUR 9	741	752	794	1,5	5,6
	Ellas	15	9	6	- 9,9	- 33,3
	EUR 10	756	761	800	1,2	5,1
Beef and veal	Deutschland	1 533	1 471	1 486	1,5	1,0
	France	1 837	1 746	1 811	1,0	3,7
	Italia	1 111	1 106	1 147	0,9	3,7
	Nederland	437	421	451	2,2	7,1
	Belgique/België	310	274	283	0,1	3,3
	Luxembourg	8	8	9	- 1,5	12,5
	United Kingdom	1 046	966	1 045	- 0,4	8,2
	Ireland	316	345	344	1,1	- 0,3
	Danmark	237	230	239	0,9	3,9
		EUR 9	6 835	6 567	6 815	0,9	3,8
	Ellas	93	87	83	- 1,6	- 4,6
	EUR 10	6 928	6 654	6 898	0,8	3,7

Source: Eurostat.

N.B.: These figures do not correspond to gross domestic production; for this see Table M.22.1.

⁽¹⁾ Total slaughterings of animals including those of foreign origin.

⁽²⁾ Carcass weight.

M.14.4 Slaughtering of adult bovine animals and calves (1)

1	2	1 000 head			% TAV		Average weight in kg/carcass			% TAV	
		1981	1982	1983	»1982« »1974«	1983 1982	1981	1982	1983	»1982« »1974«	1983 1982
		3	4	5	6	7	8	9	10	11	12
Adult bovine animals	Deutschland	4 938	4 708	4 684	1,0	- 0,5	296,6	297,9	301,8	0,6	1,3
	France	4 661	4 302	4 444	0,6	3,3	322,6	323,9	326,1	0,4	0,7
	Italia	3 619	3 554	3 627	0,5	2,0	262,8	267,5	272,1	0,1	1,7
	Nederland	1 060	1 003	1 044	1,5	4,1	285,0	285,0	284,2	0,3	- 0,3
	Belgique/België	801	693	684	-	- 1,3	340,8	347,9	361,8	1,3	4,0
	Luxembourg	29	26	31	-	19,2	286,1	283,6	287,7	0,5	1,4
	United Kingdom	3 883	3 535	3 782	-	1,2	268,1	271,9	274,6	0,9	1,0
	Ireland	1 179	1 228	1 253	-	1,0	267,4	279,6	266,5	1,3	- 4,7
	Danmark	1 019	981	1 002	0,3	2,1	230,5	232,5	235,7	0,8	1,4
	EUR 9	21 189	20 031	20 551	0,1	2,6	287,6	290,2	292,5	0,6	0,8
	Ellas	365	358	349	-	0,3	216,4	218,7	221,2	-	3,3
	EUR 10	21 554	20 388	20 900	0,1	2,5	286,4	289,0	291,3	0,5	0,8
	Calves	Deutschland	635	628	647	-	2,1	107,4	109,5	113,4	2,6
France		3 047	3 173	3 199	-	0,6	109,1	110,8	113,1	1,2	2,1
Italia		1 293	1 239	1 315	0,6	6,1	123,6	124,3	121,9	2,4	- 1,9
Nederland		1 146	1 145	1 198	2,1	4,6	118,0	117,2	128,2	1,2	9,4
Belgique/België		290	271	268	1,9	- 1,1	126,0	122,2	128,3	1,9	4,9
Luxembourg		0	0	0	-	100,0	98,0	198,1	104,9	7,7	-47,5
United Kingdom		118	94	121	-	13,8	43,0	49,1	47,9	4,1	- 2,4
Ireland		6	8	7	-	7,2	163,9	153,8	131,1	6,3	-14,8
Danmark		38	39	51	-	4,1	54,8	53,4	62,7	- 2,1	17,4
EUR 9		6 573	6 597	6 806	-	0,5	112,7	113,7	116,6	2,0	2,5
Ellas		94	79	57	-	2,3	160,0	110,1	112,2	-	2,7
EUR 10		6 667	6 676	6 863	-	0,5	113,4	114,0	116,5	0,0	2,2

Source: Eurostat.

(1) Total slaughtering of animals of national and foreign origin.

M.14.5 Market prices (1) for beef and veal

		ECU/100 kg (2)			% TAV (3)	
		1981	1982	1983	<u>1982</u> <u>1973</u>	<u>1983</u> <u>1982</u>
1	2	3	4	5	6	7
Adult bovine animals	Deutschland	139,187	153,818	157,717	2,8	— 0,1
	France	153,195	172,312	174,489	8,0	5,3
	Italia	158,068	171,327	169,853	14,8	2,5
	Nederland	131,590	145,581	146,763	3,5	— 1,0
	Belgique/België	155,359	172,924	167,794	5,3	1,8
	Luxembourg	152,052	176,713	176,828	5,3	5,0
	United Kingdom	136,442	150,539	146,907	20,3	— 2,4
	Ireland	130,696	142,851	145,440	22,0	5,4
	Danmark	135,960	151,637	154,225	8,2	2,9
		EUR 9 (4)	×	×	×	×
	Ellas	161,847	182,706	180,003	×	14,2
	EUR 10 (4)	144,701	160,478	161,267	×	0,5
Calves	Deutschland	202,785	219,329	224,553	1,5	— 0,3
	France	228,407	253,560	254,160	8,1	4,3
	Italia	218,624	230,465	231,471	13,5	3,9
	Nederland	207,359	218,024	221,899	2,7	— 0,1
	Belgique/België	220,161	241,197	241,206	5,2	5,0
	Luxembourg	162,035	156,281	148,885	— 0,4	0,0
	United Kingdom	172,929	182,854	179,336	15,8	— 1,9
	Ireland	185,735	212,697	215,037	22,2	4,6
	Danmark	146,566	162,750	169,845	7,2	5,6
		EUR 9 (4)	×	×	×	×
	Ellas	209,618	234,493	220,949	×	9,2
	EUR 10 (4)	204,732	222,829	224,158	×	0,6

Source : EC Commission, Directorate-General for Agriculture.

(1) Representative markets.

(2) Live weight — Ø 'all classes'.

(3) Calculated on the basis of prices in national currencies.

(4) Weighted Ø ECU/100 kg.

M.14.6 Consumer price of beef and veal

					% TAV	
		1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$
1	2	3	4	5	6	7
Deutschland	DM/kg	35,02	37,78	38,73	4,4	2,5
France	FF/kg	59,22	66,35	73,14	9,7	10,2
Italia	LIT/kg	9 293	10 923	11 856	15,0	8,5
Nederland	HFL/kg	28,83	31,41	31,87	5,0	1,5
Belgique/België	BFR/kg	439,0	464,0	487,50	6,2	5,1
United Kingdom	pence/lb	240,60	267,90	279,8	15,0	4,4
Ireland	pence/lb	223,70	260,90	277,4	15,1	6,3
Danmark	DKR/kg	51,93	57,58	59,79	9,9	3,8
Ellas	DR/kg	302,2	360,81	:	×	×

Source: Eurostat.

Deutschland: Lendenfilet.
 France: Faux-filet paré.
 Italia: Carne bovina s. o.
 Nederland: Runderbiefstuk.
 Belgique/België: Entrecôte/tussenribstuk.
 United Kingdom: Sirloin steak.
 Ireland: Sirloin steak.
 Danmark: Oksekød.
 Ellas: Kréas voos.

M.14.7 World production and production of principal beef and veal-producing/exporting countries (1)

	%			1 000 t			% TAV	
	1981	1982	1983	1981	1982	1983	»1982« »1975«	1983 1982
1	2	3	4	5	6	7	8	9
World	100,0	100,0	100,0	46 753	47 009	47 600	0,0	1,3
- EUR 9	14,6	14,0	14,3	6 835	6 564	6 814	0,6	3,8
- Ellas	0,2	0,2	0,2	94	90	86	- 5,2	- 4,4
- EUR 10	14,8	14,2	14,5	6 929	6 654	6 900	0,5	3,7
- Spain	0,9	0,9	0,9	418	427	417	- 0,5	- 2,3
- Portugal	0,2	0,3	0,2	102	123	105	3,8	-14,6
- USA	22,1	22,2	22,6	10 353	10 425	10 748	- 1,9	3,1
- USSR	14,2	14,1	14,4	6 633	6 617	6 875	0,2	3,9
- Brazil	4,5	5,5	5,0	2 115	2 385	2 359	1,1	- 1,1
- Argentina	6,3	5,3	5,1	2 955	2 579	2 410	- 0,5	- 6,6
- Uruguay	0,9	0,9	0,9	398	407	440	1,6	8,1
- Australia	3,0	3,6	2,9	1 421	1 676	1 389	- 4,1	-17,1
- New Zealand	1,1	1,1	1,1	498	516	519	- 1,7	0,6
- Peop. Rep. China	3,6	-	-	1 690	-	-	-	-
- Canada	2,2	2,2	2,2	1 016	1 029	1 043	- 1,6	1,4
- Mexico	2,4	2,6	2,1	1 126	1 233	1 000	6,0	-18,9
- Colombia	1,3	1,3	1,2	629	613	558	2,7	- 9,0
- Poland	1,1	1,4	1,3	497	639	603	- 4,1	- 5,6
- Yugoslavia	0,7	0,7	0,7	323	343	345	0,4	0,6
- Japan	1,0	1,0	1,0	471	481	495	6,1	2,9
- South Africa	1,1	1,3	1,3	517	599	615	2,1	2,7

Source: FAO and other international organizations.

(1) Net production.

M.14.8 Beef and veal — EC trade by species

Description	Imports						Exports					
	1982			1983			1982			1983		
	Extra-EC	Intra-EC	World	Extra-EC	Intra-EC	World	Extra-EC	Intra-EC	World	Extra-EC	Intra-EC	World
1	2	3	4	5	6	7	8	9	10	11	12	13
(1) <i>Live animals, in number</i> (per 1 000 head)												
— Veal	186,5	1 973,9	2 161,7	216,3	1 970,1	2 186,4	5,8	1 961,9	1 967,7	4,1	1 969,6	1 973,7
— Adult bovine animals	243,8	966,0	1 209,8	247,7	872,2	1 119,9	299,8	993,1	1 292,9	339,6	935,0	1 274,6
— Pure-bred breeding animals	57,8	2,7	60,5	40,7	4,1	44,8	36,1	3,5	39,6	53,8	3,4	57,2
Total live animals	488,1	2 942,6	3 432,0	504,7	2 846,4	3 351,1	341,7	2 958,5	3 300,2	397,5	2 908,1	3 305,6
(2) <i>Live animals converted to meat weight</i> (per 1 000 tonnes carcass weight)	66,0	282,1	348,1	63,7	256,8	320,5	88,4	278,2	366,6	103,0	262,0	365,0
(3) <i>Meat</i> (1 000 tonnes carcass weight)												
— Fresh or chilled from:												
Veal	4,2	140,4	144,6	5,5	130,9	136,4	8,2	99,2	107,4	9,9	91,7	101,6
Adult bovine animals	67,8	793,8	861,6	81,0	866,5	947,5	110,4	856,4	966,8	134,7	905,6	1 040,3
— Frozen	163,5	133,9	297,4	152,6	122,9	275,5	236,1	141,7	377,8	316,0	131,4	447,4
— Salted or in brine, dried or smoked	0,2	0,5	0,7	0,4	0,6	1,0	0,8	0,6	1,4	0,8	0,7	1,5
— Prepared and preserved (cooked or un-cooked)	138,5	47,4	185,9	144,4	34,0	178,4	38,1	47,5	85,6	38,3	36,3	74,6
Total beef and veal (2+3)	440,2	1 398,1	1 838,3	447,6	1 411,7	1 859,3	482,0	1 423,6	1 905,6	602,8	1 427,6	2 030,4

Source: Nimex.

Coefficients: Live animals: Carcass weight = live weight × 0,50.

Boneless meat

Prepared and preserved meat } Product weight × 1,3 = carcass weight.

M.15.1 Pig numbers
(December of previous year)

	1 000 head			% TAV	
	1982	1983	1984	<u>1983</u> 1974	<u>1984</u> 1983
1	2	3	4	5	6
Deutschland	22 310	22 478	23 449	1,1	4,3
France	11 421	11 709	11 251	0,2	-3,9
Italia	9 015	9 132	9 187	1,2	0,6
Nederland	10 193	10 590	11 008	4,9	3,9
Belgique/België	5 076	5 137	5 113	0,9	-0,5
Luxembourg	73	74	71	-3,4	-4,1
United Kingdom	7 910	8 205	7 782	-1,4	-5,2
Ireland	1 090	1 145	1 053	1,1	-8,0
Danmark	9 785	9 504	9 016	1,4	-5,1
Ellas	EUR 9 76 873	77 974	77 931	1,1	-0,1
	EUR 10 1 323	1 218	1 168	4,4	-4,1
	78 196	79 192	79 099	1,2	-0,1

Source : Eurostat.

M.15.2 Pigmeat supply balance

EUR 10

	1 000 t (1)			% TAV	
	1981	1982	1983	<u>1982</u> 1973	<u>1983</u> 1982
1	2	3	4	5	6
Gross domestic production	10 206	10 183	10 518	2,7	3,3
Imports - Live animals	68	43	5	x	-88,4
Exports - Live animals	22	16	1	x	-93,8
Intra-Community trade	334	334	386	x	15,6
Net production	10 252	10 211	10 522	2,7	3,0
Changes in stocks	-16	-9	12	-9,5	133,3
Imports	112	111	69	-8,2	-37,8
Exports	-328	-226	367	-3,3	62,4
Intra-Community trade	1 619	1 698	1 732	x	2,0
Internal use	10 055	10 097	10 224	2,7	1,3
Gross consumption in kg/head/year	37,2	37,3	37,6	2,4	0,8
Degree of self-supply (%)	102	101	103	0,0	2,0

Source : Eurostat.

(1) Carcass weight.

M.15.3 Net pigmeat production ⁽¹⁾

1	1 000 t			% TAV	
	1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$
	2	3	4	5	6
Deutschland	3 182	3 151	3 225	1,9	2,3
France	1 855	1 806	1 808	1,9	0,1
Italia	1 106	1 108	1 167	5,4	5,3
Nederland	1 194	1 211	1 248	4,5	3,1
Belgique/België	672	672	696	1,7	3,6
Luxembourg	8	8	9	0,3	12,5
United Kingdom	931	957	1 013	-0,3	5,9
Ireland	150	153	161	0,7	5,2
Danmark	987	986	1 050	2,8	6,5
EUR 9	10 084	10 052	10 379	2,3	3,3
Ellas	154	154	160	5,4	3,9
EUR 10	10 238	10 206	10 538	2,7	3,3

Source : Eurostat.

(1) Animals of national and foreign origin.

M.15.4 Number of pigs slaughtered ⁽¹⁾

1	1 000 head			% TAV		Average carcass weight in kg			% TAV	
	1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$	1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$
	2	3	4	5	6	7	8	9	10	11
Deutschland	37 814	37 379	38 087	2,3	1,9	84,1	84,3	84,7	-0,3	0,5
France	21 073	20 488	20 551	1,9	0,3	88,0	88,2	88,0	0,0	-0,2
Italia	10 522	10 542	10 997	4,1	4,3	105,1	105,1	106,2	1,3	1,0
Nederland	14 065	14 349	14 833	4,5	3,4	84,9	84,4	84,2	0,1	-0,2
Belgique/België	8 228	7 968	8 040	1,2	0,9	81,7	84,3	86,6	0,8	2,7
Luxembourg	123	117	134	-0,5	14,5	65,0	70,1	69,4	-0,2	-1,0
United Kingdom	14 725	14 991	15 989	-0,1	6,7	63,2	63,8	63,3	-0,2	-0,8
Ireland	2 335	2 363	2 502	1,3	5,9	64,2	64,9	64,3	-0,5	-0,9
Danmark	14 611	14 416	15 125	2,7	4,9	67,6	68,4	69,4	0,1	1,5
EUR 9	123 495	122 612	126 257	2,2	3,0	81,7	82,0	82,2	0,1	0,2
Ellas	2 294	2 331	2 276	4,8	-2,4	67,2	66,2	70,3	0,6	6,2
EUR 10	125 789	124 943	128 532	2,2	2,9	81,4	81,7	82,0	0,1	0,4

Source : Eurostat.

(1) Animals of national and foreign origin.

M.15.5 Market prices for pigmeat (1)

	ECU/100 kg (2)			% TAV (3)	
	1981	1982	1983	<u>1982</u> 1973	<u>1983</u> 1982
1	2	3	4	5	6
Deutschland	141,289	155,616	141,457	0,8	-11,7
France	151,840	174,605	163,218	6,3	-1,1
Italia	157,893	181,760	170,341	12,6	-2,1
Nederland	138,305	151,129	147,674	1,6	-4,2
Belgique/België	151,946	171,615	153,927	3,3	-5,4
Luxembourg	167,130	189,929	172,489	4,2	-4,2
United Kingdom	145,601	149,615	140,600	8,7	-6,0
Ireland	144,392	154,532	148,555	10,1	-0,6
Danmark	142,448	152,219	148,231	5,1	-1,3
Ellas	171,462	181,290	192,317	x	20,1
EUR 10 (4)	146,043	161,187	151,342		-6,1

Source: EC Commission, Directorate-General for Agriculture.

(1) Representative markets.

(2) Slaughtered weight - Class II.

(3) Calculated on the basis of prices in national currencies.

(4) Weighted \varnothing ECU/100 kg.

M.15.6 Consumer price of pigmeat

					% TAV	
		1981	1982	1983	<u>1982</u> 1973	<u>1983</u> 1982
1	2	3	4	5	6	7
Deutschland	DM/kg	11,66	12,46	12,30	2,7	-1,3
France	FF/kg	34,35	40,45	42,27	7,8	4,5
Italia	LIT/kg	6 292	7 071	7 783	13,7	10,1
Nederland	HFL/kg	14,49	15,46	14,88	3,8	-3,8
Belgique/België	BFR/kg	195,0	217,0	225,25	4,6	3,8
United Kingdom	pence/lb	118,50	123,80	122,2	10,4	-1,3
Ireland	pence/lb	224,70	258,40	272,4	15,2	5,4
Danmark	DKR/kg	100,75	86,93	89,90	11,1	3,4
Ellas	DR/kg	203,0	242,4	:	x	x

Source: Eurostat.

Deutschland : Kotelett.
 France : Filet de porc.
 Italia : Carne suina senz'osso.
 Nederland : Haaskarbonade.
 Belgique/België : Côte de porc/varkensrib.
 United Kingdom : Loin (with bone).
 Ireland : Steak.
 Danmark : Mellemkam uden spæk.
 Ellas : Fileto hirino.

M.15.7 World production and gross domestic production of principal pigmeat-producing exporting countries

	%			1 000 t			% TAV	
	1981	1982	1983	1981	1982	1983	1982	1983
	2	3	4	5	6	7	8	9
<i>World</i>	100,0	100,0	100,0	55 933	55 989	57 823	3,5	3,3
- EUR 9	18,1	18,0	17,7	10 137	10 106	10 259	2,9	1,5
- Ellas	0,3	0,3	0,3	154	155	155	6,5	0,0
- EUR 10	18,4	18,3	18,0	10 291	10 261	10 414	3,0	1,5
- Spain	1,8	2,0	2,2	1 021	1 115	1 263	7,4	13,3
- Portugal	0,3	0,3	0,3	178	182	183	5,8	0,5
- Peop. Rep. China	30,0	30,9	30,6	16 762	17 285	17 701	6,9	2,4
- USA	13,1	11,5	11,8	7 199	6 454	6 843	1,2	6,0
- USSR	9,3	9,5	9,9	5 219	5 300	5 700	0,5	7,5
- Poland	2,4	2,6	2,4	1 346	1 462	1 400	- 2,0	- 4,2
- Japan	2,5	2,6	2,5	1 396	1 428	1 430	4,4	0,1
- GDR	2,3	2,3	2,2	1 279	1 270	1 280	3,0	0,8
- Brazil	1,8	1,7	1,7	980	970	970	3,7	0,0
- Canada	1,5	1,5	1,5	840	833	850	3,4	2,0
- Yugoslavia	1,4	1,4	1,3	769	786	755	11,0	- 3,9.
- Romania	1,8	1,8	1,8	1 008	982	1 020	4,3	3,9
- Hungary	1,6	1,7	1,9	906	947	1 080	3,5	14,0
- Czechoslovakia	1,5	1,3	1,3	853	743	770	1,1	3,6

Source: FAO.

**M.19.1 Sheep and goat numbers
(December)**

Sheep	1 000 head			% TAV	
	1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$
1	2	3	4	5	6
Deutschland	1 108	1 172	1 218	1,6	3,9
France	13 090	12 061 ⁽¹⁾	11 806	1,8	-2,1 ⁽¹⁾
Italia	10 659	10 493	10 885	3,3	3,7
Nederland	815	910	930	4,2	2,2
Belgique/België	79	83	120	1,3	44,6
Luxembourg	4	4	4	-4,4	0,0
United Kingdom	22 200	22 930	23 317	1,4	1,7
Ireland	2 398	2 424	2 537	-2,1	4,7
Danmark	59	59	63	0,6	6,8
EUR 9	50 412	50 136	50 880	1,7	1,5
Ellas	8 131	9 830 ⁽¹⁾	9 962	1,8	1,3 ⁽¹⁾
EUR 10	58 543	59 966	60 842	1,7	1,5
Goats					
Deutschland	36	36	36	-0,6	0,0
France	1 257	1 220	1 240	3,3	1,6
Italia	1 029	1 105 ⁽¹⁾	1 173	2,4	6,1 ⁽¹⁾
Nederland ⁽²⁾	12	30	32	10,5	6,7
Belgique/België	6	7	7	6,4	0,0
Luxembourg	0	0	0	0,0	0,0
United Kingdom	14	14	14	0,8	0,0
Ireland	0	0	0	0,0	0,0
Danmark	0	0	0	0,0	0,0
EUR 9	2 354	2 412	2 502	2,9	6,2
Ellas	4 535	4 660	5 356 ⁽¹⁾	2,0	14,9 ⁽¹⁾
EUR 10	6 889	7 072	7 858	2,3	11,8

Source : Eurostat.

⁽¹⁾ Change in the statistical method.

⁽²⁾ May census.

M.19.2 Gross domestic sheepmeat and goatmeat production

	1 000 t			% TAV	
	1981	1982	1983 (1)	$\frac{1982}{1973}$	$\frac{1983}{1982}$
1	2	3	4	5	6
Deutschland	20	20	22	5,8	10,0
France	175	184	176	4,1	- 4,3
Italia	54	54	52	5,5	0,0
Nederland	21	19	19	7,4	0,0
Belgique/België	4	5	5	2,8	0,0
Luxembourg					
United Kingdom	266	266	285	1,4	7,1
Ireland	40	42	42	0,0	0,0
Danmark	0	0	1	100,0	100,0
EUR 9	580	588	602	2,7	2,4
Ellas	119	118	120	1,6	1,7
EUR 10	699	706	722	2,5	2,3

Source : Eurostat.

(1) Estimate.

M.19.3 Sheep and goats slaughtered

	1 000 head			% TAV		Average carcass weight in kg			% TAV	
	1981	1982	1983	$\frac{1982}{1974}$	$\frac{1983}{1982}$	1981	1982	1983	$\frac{1982}{1974}$	$\frac{1983}{1982}$
1	2	3	4	5	6	7	8	9	10	11
Deutschland	1 289	1 269	1 323	6,2	4,2	21,5	21,1	21,1	-1,6	0,0
France	9 634	9 900	9 337	-1,2	- 5,7	19,0	19,1	19,1	0,3	0,0
Italia	7 691	7 527	7 638	2,9	1,5	8,9	9,0	8,8	-0,3	- 2,2
Nederland	647	522	458	-0,2	-12,3	24,9	24,3	24,4	-0,3	0,4
Belgique/België	243	306	242	9,1	-20,9	23,2	24,3	21,0	0,7	-13,6
Luxembourg										
United Kingdom	13 857	13 899	14 886	1,5	7,1	19,4	19,0	19,1	-0,3	0,5
Ireland	1 811	1 676	1 624	-0,5	- 3,1	23,6	24,2	25,2	0,0	4,1
Danmark	16	19	19	-5,4	0,0	24,8	21,4	21,1	-3,8	- 1,4
EUR 9	35 188	35 118	35 527	2,3	1,2	17,4	17,4	17,4	-0,2	0,0
Ellas	11 274	11 283	11 366	0,3	0,7	10,7	10,6	10,6	0,7	0,0
EUR 10	46 462	46 401	46 893	1,8	1,1	15,9	15,7	15,7	0,2	0,0

Source : Eurostat.

M.19.4 Sheepmeat and goatmeat supply balance

EUR 10

	1 000 t			% TAV	
	1981	1982	1983	<u>1982</u> 1973	<u>1983</u> 1982
1	2	3	4	5	6
Gross domestic production	699	706	722	x	2,6
Imports — live animals (1)	18	18	19	x	5,5
Exports — live animals (1)	0	0	0	x	0,0
Intra-Community trade (1)	16	15	21	x	40,0
Net production	717	724	741	x	2,3
Changes in stocks	8	26	14	x	-46,2
Imports (2)	226	281	252	x	-10,3
Exports (2)	6	4	5	x	25,0
Intra-Community trade (3)	80	80	94	x	17,5
Internal use	929	975	974	x	- 0,1
Gross consumption (kg/head/year)	3,4	3,6	3,5	x	- 2,8
Degree of self-supply (%)	75,0	72,0	74,1	x	2,9

Source: Eurostat and EC Commission, Directorate-General for Agriculture.

(1) Carcass weight.

(2) Carcass weight — All trade with the exception of live animals.

(3) All trade in carcass weight, including that of live animals (figures based on imports).

M.19.5 Imports of sheepmeat (1)

EUR 10	t			% TAV	
	1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$
1	2	3	4	5	6
<i>Total imports (2)</i>					
- Spain	431	441	233	x	- 47,2
- Portugal	—	—	—	—	—
- New Zealand	181 964	223 798	194 347	x	- 13,1
- Argentina	9 343	14 410	12 269	x	- 14,9
- Australia	5 707	11 451	16 205	x	41,5
- Hungary	10 994	12 003	10 812	x	- 9,9
- Bulgaria	3 136	3 197	3 450	x	7,9
- Poland	4 853	4 732	6 038	x	27,6
- Yugoslavia	3 265	4 455	4 553	x	2,2
- Uruguay	2 343	2 772	219	x	- 92,1
- GDR (2)	340	195	0	x	-100,0
- Romania	377	647	565	x	- 12,7
- Other countries	4 197	3 273	3 001	x	- 8,3
Grand total	226 950	281 374	251 692	x	- 10,5
EUR 9	t			% TAV	
	1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$
1	2	3	4	5	6
<i>Total imports (2)</i>					
- Ellas	—	—	5	—	100,0
- Spain	431	441	233	- 12,4	- 47,2
- Portugal	—	—	—	—	—
- New Zealand	176 986	218 248	187 539	- 1,5	- 14,1
- Argentina	7 546	13 528	11 841	5,4	- 12,5
- Australia	3 620	8 740	7 463	- 10,8	- 14,6
- Hungary	10 992	11 968	10 594	1,8	- 11,5
- Bulgaria	2 369	1 900	2 252	- 11,5	18,5
- Poland	4 850	4 674	5 989	14,0	28,1
- Yugoslavia	2 728	2 534	2 273	0,1	- 10,3
- Uruguay	2 197	2 459	219	24,8	- 91,1
- GDR (2)	340	54	0	- 32,0	-100,0
- Romania	377	647	565	- 15,9	- 12,7
- Other countries	4 854	3 194	2 826	18,8	- 11,5
Grand total	217 290	268 387	231 799	- 1,6	- 13,6

Source: EC Commission, Directorate-General for Agriculture - Nimex.

(1) Live animals included.

(2) Excluding trade between the Federal Republic of Germany and the German Democratic Republic.

M.19.6 Market prices ⁽¹⁾ for sheepmeat

	ECU/kg ⁽²⁾						% TAV ⁽³⁾	
	1981		1982		1983		1982	
	1	2	3	4	5	6	1982	1983
Deutschland		3,470	3,554	3,536	x	—	3,1	
France		3,688	3,914	4,272	x	13,4		
Italia		4,504	4,541	4,465	x	2,7		
Nederland		3,593	3,494	3,678	x	3,3		
Belgique/België		3,633	4,112	4,232	x	8,0		
United Kingdom		2,588	2,702	2,596	x	—	3,9	
Ireland		3,297	3,317	3,428	x	6,7		
Danmark		2,478	2,737	2,831	x	4,6		
Ellas		4,944	5,211	4,966	x	8,4		

Source: EC Commission, Directorate-General for Agriculture.

⁽¹⁾ Deutschland: country Ø: 'lamb carcasses of "L"-Masträmmer quality.

France: country Ø for 'carcasses d'agneaux de boucherie'.

Italia: average price: (1) agnelloni (±20 kg carcass weight) = 36% (country Ø).

(2) agnelli (±10 kg carcass weight) = 64% (markets: Cagliari, Roma, Napoli, Firenze - L'Aquila).

Nederland: country Ø: 'Vette lammeren'.

Belgique/België: average price: (1) moutons extra (carcass weight 30 kg) / schapen extra (30 kg per stuk)

(2) agneaux extra (carcass weight 16 kg) / lammeren extra (16 kg per stuk).

United Kingdom: Ø market prices for sheep qualifying for guaranteed prices (pence/kg net on the hoof).

Ireland: country Ø: 70% prime quality,

30% second quality.

Danmark: country Ø: lambs 1st quality.

Ellas: country Ø: 76% annos galaktos,

24% annos.

⁽²⁾ Slaughter weight.

⁽³⁾ Calculated on the basis of prices in national currencies.

M.19.7 Sheepmeat and goatmeat — EC trade by species

Description	Imports						Exports					
	1982			1983			1982			1983		
	Extra-EC	Intra-EC	World	Extra-EC	Intra-EC	World	Extra-EC	Intra-EC	World	Extra-EC	Intra-EC	World
1	2	3	4	5	6	7	8	9	10	11	12	13
(1) <i>Live animals, in number</i> (per 1 000 head)												
— <i>Pure-bred breeding animals:</i>												
Sheep	0,3	26,0	26,3	0,2	11,2	11,4	1,4	9,7	11,1	1,2	7,1	8,3
Goats	1,4	3,1	4,5	0,4	2,2	2,6	1,0	1,0	2,0	2,0	2,4	4,4
— <i>Other live animals</i>												
Sheep	1 498,0	713,8	2 211,8	1 670,8	1 041,2	2 712,0	7,4	693,2	700,6	3,8	1 064,7	1 068,5
Goats	12,4	12,2	24,6	6,0	16,4	22,4	0,2	13,1	13,3	0,9	12,8	13,7
Total live animals	1 512,1	755,1	2 267,2	1 677,4	1 071,0	2 748,4	10,0	717,1	727,1	7,9	1 087,0	1 094,9
(2) <i>Live animals converted to meat weight</i> (per 1 000 tonnes carcass weight)												
Total live animals	18,5	15,0	33,5	18,7	20,7	39,4	0,2	14,0	14,2	0,2	21,1	21,3
(3) <i>Meat</i> (1 000 tonnes carcass weight)												
— Fresh or chilled	9,4	62,9	72,3	11,3	70,5	81,8	2,7	61,6	64,3	3,6	66,0	69,6
— Frozen	252,6	1,5	254,1	221,5	1,1	222,6	0,7	1,9	2,6	0,7	1,7	2,4
— Salted or in brine, dried or smoked	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
— Prepared and preserved	0,2	0,5	0,7	0,2	2,0	2,2	0,1	0,6	0,8	0,2	8,9	9,1
Total sheepmeat and goatmeat (2+3)	280,6	79,9	360,6	251,7	94,3	346,0	3,7	78,1	81,9	4,7	97,7	102,4

Source: Nimex.

Coefficients: Live animals: Carcass weight = live weight × 0,47.

Boneless meat

Prepared and preserved meat } Product weight × 1,7 = carcass weight.

M.16.1 Laying hens

	1 000 head			% TAV	
	1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$
1	2	3	4	5	6
Deutschland	54 200	53 800	51 300	-2,1	-3,8
France	76 100	74 800	71 700	1,2	-4,1
Italia	50 202	49 527	47 480	-0,1	-4,1
Nederland	27 598	29 408		5,1	
Belgique/België	12 303	12 292	11 977	-2,8	-2,6
Luxembourg	90	90	90	-7,1	0
United Kingdom	55 457	55 448	53 106	-1,7	-4,3
Ireland	3 227	3 134	3 140	-2,7	0,2
Danmark	4 646	4 634	4 475	-1,3	-3,4
Ellas	EUR 9 283 823 17 318	283 133		-0,3	
	EUR 10 301 141				

Source: Eurostat.

M.16.2 Number of utility chicks hatched from laying hens

	1 000 head			% TAV	
	1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$
1	2	3	4	5	6
Deutschland	43 023	40 979	40 730	-0,8	-0,6
France	50 009	54 731	46 314	5,0	-15,4
Italia	32 745	28 059	25 000**	0,7	-10,9
Nederland	39 231	38 853	44 031	8,9	13,3
Belgique/België	17 203	14 386	15 478	0,4	7,6
Luxembourg	0	0	0	x	
United Kingdom	41 903	41 074	36 184	-3,0	-11,9
Ireland	1 849	2 429	2 159	1,3	-11,1
Danmark	4 269	4 387	4 025	-1,5	-8,3
Ellas	EUR 9 230 231 3 993	224 897 3 904	213 561 3 091	1,3 :	-5,0 -20,8
	EUR 10 234 224	228 901	216 652	:	-5,3

Source: Eurostat.

M.16.3 Production of eggs in shell (total eggs)

	1 000 t			% TAV	
	1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$
1	2	3	4	5	6
Deutschland	768	771	759	-1,5	-1,6
France	894	950	908	2,8	-4,4
Italia	666	658	664	0,9	0,9
Nederland	590	643	645**	8,9	0,3
UEBL/BLEU	195	195	189	-2,1	-3,1
United Kingdom	801	804	783	-0,7	-2,6
Ireland	37	35	37	-0,6	5,7
Danmark	79	83	81	1,3	-2,4
Ellas	EUR 9 4 030	4 139	4 066	1,1	-1,8
	EUR 10 126	125	135**	1,9	8,0
	EUR 10 4 156	4 264	4 201	1,1	-1,5

Source : Eurostat.

M.16.4 Egg supply balance (total eggs)

EUR 10

	1 000 t			% TAV	
	1981	1982	1983**	$\frac{1982}{1973}$	$\frac{1983}{1982}$
1	2	3	4	5	6
Usable production	4 156	4 264	4 201	1,1	-1,5
Change in stocks	3	5		×	×
Imports	41	33	35	-5,2	6,1
Exports	124	162	151	15,0	-6,8
Intra-Community trade	486	507	525	6,8	3,6
Internal use	4 069	4 128	4 085	0,7	-1,1
of which:					
- eggs for hatching	223	232	220	2,8	-5,2
- animal feed	0	0	0	×	×
- industrial use	10	11	11	0	0
- losses (market)	12	12	11	-4,5	-8,3
- human consumption	3 825	3 873	3 841	0,7	-0,8
Human consumption (kg/head/year)	14,1	14,2	14,1	0,4	-1,4
Degree of self-supply (%)	102,1	103,3	102,8	0,4	-0,5

Source : Eurostat.

M.16.5 Market prices for eggs ⁽¹⁾

	ECU/100 pieces			% TAV ⁽²⁾	
	1981	1982	1983	<u>1982</u> 1973	<u>1983</u> 1982
1	2	3	4	5	6
Deutschland	6,316	5,266	5,796	-0,8	6,9
France	6,253	5,042	6,507	6,5	32,9
Italia	6,264	6,287	6,916	13,5	15,8
Nederland	4,931	4,334	4,286	-0,8	17,3
Belgique/België	4,983	3,784	5,623	0,8	24,5
Luxembourg	7,402	6,455	7,180	2,5	16,3
United Kingdom	7,644	5,022	4,988	×	-9,9
Ireland	8,603	8,256	7,590	6,4	-5,2
Danmark	7,402	7,597	7,468	5,4	-0,6
Ellas	8,741	9,693	9,351	×	10,2

Source: EC Commission, Directorate-General for Agriculture.

- (1) Deutschland: Köln: Großhandelseinkaufspreis, frei Nordrhein-Westfälische Station.
 France: Paris-Rungis: prix de gros à la vente, franco marché.
 Italia: Milano: prezzo d'acquisto del commercio all'ingrosso, franco mercato.
 Nederland: Groothandelsverkooprij.
 Belgique/België: Kruishoutem: prix de gros à l'achat, franco marché, groothandelsaankooprij, franco markt.
 Luxembourg: Prix de gros à la vente, franco détaillant.
 United Kingdom: Eggs Authority: packer to wholesaler price, from 1982 packer to producer price.
 Ireland: Dublin: wholesale selling price
 Danmark: Engrospris.
 Ellas: Wholesale price.

(2) Calculated on the basis of prices in national currency.

M.16.6 Consumer prices for eggs

					% TAV	
		1981	1982	1983	<u>1982</u> 1973	<u>1983</u> 1982
1	2	3	4	5	6	7
Deutschland	DM/piece	0,28	0,26	0,26	0,9	0
France	FF/piece	0,72	0,70	0,80	6,4	14,3
Italia	LIT/piece	145	154	170	13,3	10,4
Nederland	HFL/piece	0,27	0,24	0,25	0,5	4,2
Belgique/België	BFR/piece	4,50	4,50	4,92	3,2	9,3
United Kingdom	pence/piece	6,52	6,89	6,63	10,1	- 3,8
Ireland	pence/piece	7,23	7,63	6,80	11,0	-10,9
Danmark	DKR/piece	1,01	1,17	1,23	8,3	5,1
Ellas	DR/piece	5,90	7,01	7,92	×	13,0

Source: Eurostat.

- Deutschland: Dt. Frischeier, Kl. A Gewichtsklasse 3.
 France: Frais emballés.
 Italia: Uova fresche.
 Nederland: Eieren.
 Belgique/België: Oeufs/eieren.
 United Kingdom: Eggs, large.
 Ireland: Eggs.
 Danmark: Æg.
 Ellas: Avga.

M.17.1 Number of utility chicks of table strains hatched

	1 000 head			% TAV		
	1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$	
1	2	3	4	5	6	
Deutschland	259 489	263 143	236 326	3,7	-10,2	
France	619 117	667 101	618 239	6,2	-7,3	
Italia	369 077	390 451	345 892**	3,2	-11,4	
Nederland	367 101	346 420	348 096	1,4	0,5	
UEBL/BLEU	85 538	95 391	86 836	1,5	-9,0	
United Kingdom	425 123	444 389	438 803	3,0	-1,3	
Ireland	23 669	24 895	24 707	0,4	-0,8	
Danmark	78 758	83 155	80 698	1,8	-3,0	
	EUR 9	2 227 872	2 314 941	2 179 597	3,7	-5,8
Ellas		67 237	65 517	63 939	:	-2,4
	EUR 10	2 295 109	2 380 458	2 243 536	:	-5,8

Source : Eurostat.

M.17.2 Gross domestic production of poultrymeat

	1 000 t			% TAV		
	1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$	
1	2	3	4	5	6	
Deutschland	378	379	344	3,0	-9,2	
France	1 238	1 333	1 284	5,4	-3,7	
Italia	1 009	1 040	1 043	2,7	0,3	
Nederland	410	419	397**	1,8	-5,3	
UEBL/BLEU	122	134	126	1,9	-6,0	
United Kingdom	747	809	800**	2,0	-1,1	
Ireland	45	49	49**	1,8	0	
Danmark	104	110	112	2,0	1,8	
	EUR 9	4 053	4 273	4 155	3,2	-2,8
Ellas		146	157	160**	4,1	1,9
	EUR 10	4 199	4 430	4 315	3,2	-2,6

Source : Eurostat.

M.17.3 Poultrymeat supply balance

EUR 10

	1 000 t ⁽¹⁾			% TAV	
	1981	1982	1983**	$\frac{1982}{1973}$	$\frac{1983}{1982}$
1	2	3	4	5	6
Gross domestic production	4 199	4 430	4 315	3,2	-2,6
Imports - live birds	2	3	.	-10,4	x
Exports - live birds	4	3	.	x	x
Intra-Community trade	54	58	.	9,2	x
Net production	4 197	4 430	4 315	3,2	-2,6
Changes in stocks	- 5	98	- 50	x	x
Imports	64	64	60	- 0,2	-6,2
Exports	465	427	443	11,8	3,7
Intra-Community trade	296	313	326	1,6	4,2
Internal use (total)	3 783	3 970	3 982	2,4	0,3
Human consumption (kg/head/year)	13,9	14,6	14,6	2,2	0,0
Degree of self-supply (%)	111,0	111,6	108,4	0,8	-2,9

Source: Eurostat.

(1) Carcass weight.

M.17.4 Market prices for chickens⁽¹⁾

	ECU/kg ⁽²⁾			% TAV ⁽³⁾	
	1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$
1	2	3	4	5	6
Deutschland	1,326	1,242	1,298	-0,4	1,8
France	1,103	1,184	1,302	8,1	12,9
Italia	1,863	1,107	1,265	10,8	20,6
Nederland	1,257	1,149	1,160	0,3	-0,9
Belgique/België	1,089	1,437	1,488	x	8,2
Luxembourg	1,719	1,659	1,588	2,6	0
United Kingdom	1,412	1,491	1,593	9,9	6,8
Ireland	2,009	2,106	2,094	13,0	2,8
Danmark	1,434	1,386	1,385	4,5	1,2
Ellas	1,554	1,816	1,921	x	20,6

Source: EC Commission, Directorate-General for Agriculture.

- (1) Deutschland: BML - Hähnchen bratfertig, 70%, Großhandelsverkaufspreis.
 France: Paris-Rungis: poulets classe A (moyens), 83%, prix de gros à la vente.
 Italia: Forlì: polli allevamento intensivo, prezzi d'acquisto all'ingrosso, peso vivo.
 Nederland: LEI: kuikens 70% - Groothandelsverkoopprijs.
 Belgique/België: Poulets 70%, prix de gros à la vente/kuikens 70%, Groothandelsverkoopprijs.
 À partir de juillet 82 prix franco frontière/vanaf 31 juli 82 prijs franco grens.
 United Kingdom: London: chickens, 83%, wholesale price.
 Ireland: Chickens, 70%, wholesale price.
 Danmark: Kyllinger, 70%, slagterier til detailhandel.
 Ellas: Chondriki timi, 70%.

(2) Slaughtering weight.

(3) Calculated on the basis of prices in national currencies.

M.17.5 Consumer prices for chickens

					% TAV	
		1981	1982	1983	$\frac{1982}{1973}$	$\frac{1983}{1982}$
1	2	3	4	5	6	7
Deutschland	DM/kg	5,20	5,31	5,16	2,3	-2,8
France	FF/kg	17,09	18,74	19,56	11,4	4,4
Italia	LIT/kg	2 916	3 422	3 650	14,6	6,7
Nederland	HFL/kg	6,71	6,98	6,88	3,4	-1,4
Belgique/België	BFR/kg	108,0	116,0	126,0	5,0	8,6
United Kingdom	pence/lb	69,70	72,20	74,3	12,2	2,9
Ireland	pence/lb	:	:	:	x	x
Danmark	DKR/kg	:	:	:	x	x
Ellas	DR/kg	105,92	133,26	:	x	:

Source: Eurostat.

Deutschland: Brathähnchen.
 France: Poulet industriel effilé.
 Italia: Pollame (Gallina).
 Nederland: Braadkuiken - vers.
 Belgique/België: Poulet/braadkuiken.
 United Kingdom: Chicken, fresh 4 lbs.
 Ellas: Lianiki timi.