

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 306 final

Brussels, 27th May 1982

ALLOCATION OF MILK PRODUCTS FOOD AID FROM THE 1982 PROGRAMME TO ZIMBABWE

(Communication from the Commission to the Council)

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SUMMARY

The Government of ZIMBABWE have requested food aid in the form of milk products on a multi-annual basis for a period of five years from 1982 until 1985.

The initial agreement for four years will be 16000 T of milk powder and 2 750 T of butteroil. A review of further need will take place in 1984.

These dairy products food aid will be used by the ZIMBABWE Government to bridge the gap between the supply of indigenous milk, and the demand during the period when the country's plan for self-sufficiency is being developed.

The main beneficiaries of the food aid will be the rural and urban poor through the subsidized sales of liquid milk. The integrated plan for the development of self-sufficiency in milk products, of which the food aid is an essential feature, will favour the peasant farming and rural population by extending their economic and social benefits.

The Need

The G.N.P. per capita in ZIMBABWE is estimated at only \$ 630 (World Bank 1980 figure) which places the country well within the principal criterion normally applied by the Community for eligibility under its food aid programmes. In addition, it should be noted that internal income disparities are particularly marked, and that average rural peasant income has been estimated by the government at no more than \$ 75 p.a.

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Since independence in March 1980, the Government of ZIMBABWE has embarked on a wide-ranging programme of economic reforms to restructure the economy and to improve the living standards of low income workers and the rural population generally.

As a result of these measures the demand for dairy products, and in particular for liquid milk, has risen by 40% since independence and a serious shortfall of a structural nature has developed. In 1982 this shortfall will amount to 66 M litres of liquid milk rising, in 1983, to 86 M litres or 36% of estimated domestic consumption.

Hence the need for supplies of food aid in the form of powdered milk and butteroil for reversion into liquid milk. This need will exist for an estimated period of five years during which time the ZIMBABWE GOVERNMENT will carry out its integrated plan to develop its dairy sector with the aim of achieving self-sufficiency in dairy products.

The DAIRY INDUSTRY

ZIMBABWE has at present a sophisticated and efficient dairy industry based on a well organised dairy herd of some 450 medium to large dairy farms. There are 5 dairies across the country and construction of a sixth is envisaged.

Commercialised milk production from these farms, which is at present the only source of raw material for the dairy industry, is estimated to amount, in 1982, to 148 M litres against an estimated demand of 212 M litres.

In the past, the output of the dairy industry was, in the main, for the white population and for export to limited sections of the populations in neighbouring countries. Recognising this, the Government has now severely restricted production of processed

dairy products such as cream, butter and cheese and has shifted output towards liquid milk for the bulk of the population.

As part of government policy to improve the nutritional diet of the bulk of the population, liquid milk sales are subsidized.

The Plan to Achieve Self-Sufficiency

The Government has embarked on an integrated plan to achieve self-sufficiency in milk production over a period of five years. This plan is based on improving the economic situation of the peasant farmer by encouraging the production of milk in the rural areas to increase the availability of commercialised milk to a level which will at least cover the current deficit of 64 M litres. The peasant cattle herd of about 1 million cows produces about 150 million litres of milk annually, none of which is sent to the dairies but consumed by the peasant farmers themselves. Although ownership of cattle is vested in the male head of household, who is often absent, the milk is owned and used by the women. Any improvement in milk yield and subsequent sale would therefore be of direct economic benefit socially and economically to the family among other ways by enabling them to purchase other food necessary for a balanced diet.

To create the conditions for this to come about, the Government proposes:

- The introduction of milk collection centres in peasant districts associated with training, livestock improvement and a cross-breeding programme. Initially there will be 50 centres each serving approx. 500 families.
- The development of a bulk collecting system so as to facilitate production and collection in rural areas.

- The establishment of intensive co-operative milk production schemes within the Government's resettlement and land re-distribution programme. These will employ 5 000 families in milk, fruit, coffee and other productions.
- The improvement of dairy industry facilities to meet the resultant increase in both production and demand.
- The provision of livestock improvement services, extension and research services.

FINANCE

The total cost of the integrated plan is estimated at 47 million ZIMBABWE Dollars.

- Donations from bilateral donors including Member States amount to 17.3 M dollars and 7.2 M dollars will come from ZIMBABWE
- The remaining financial needs will be met from the sale of food aid amounting to 22.5 M dollars.
- The counterpart funds will be used for the peasant milk production schemes, bulk milk collection and the provision of government services.

CONCLUSION

On the basis of the information provided by the Zimbabwe Authorities, the Commission is of the opinion that the request for a multi-annual food aid programme in milk products which will be used to assist the implementation of an integrated plan for the development of a basic food industry in Zimbabwe is fully justified. Such a multi-annual programme will permit the country to become self-sufficient in milk products within a limited period.

The Zimbabwe Authorities have requested the following amounts :

	<u>Milk Powder</u>	<u>Butteroil</u>
1982	6 200 T	1 000 T
1983	5 200 T	750 T
1984	4 400 T	600 T
1985	3 400 T	400 T
1986	2 200 T	250 T
TOTAL	<u>21 400 T</u>	<u>3 000 T</u>

The Commission believes that the Community should respond positively to this request and take in charge the delivery of most of the above quantities.

The 1982 programme already provides for 1 500 T as a first contribution to this programme. However, in view of the timing of the final decision on the 1982 programme it will not be possible for the Commission to deliver in the time available the total quantity requested for 1982. The Commission proposes therefore that the 1982 quantity for skimmed milk powder is limited to 4 000 T.

In addition although the scheme is planned to finish in 1986 the Commission believes that a review of progress should be carried out in 1984 to enable any adjustments to the original planning to be taken into account. The present proposal therefore only takes into account preplanning of supplies until end of 1985.

Unfortunately in the present state of discussions on the future decision making procedures to be adopted for food aid the Commission thinks it inadvisable to initiate what might be considered new procedures before the concertation procedure on the new framework regulation for food aid is completed. It therefore invites Council to mark their agreement on the programme and to defer the decision on the detail of future allocations to a later date.

Proposal

The Commission proposes that

- a) the Council adopts the following modifications to the 1982 food aid programmes :
- for skimmed milk powder increase Zimbabwe from 1 500 T to 4 000 T.
 - for butteroil allot Zimbabwe 1 000 T.

The necessary legal instruments are attached in Annex I.

- b) The Council takes note with approval of the Commission's intention to take the necessary measures to introduce a multiannual programme in food aid in dairy products to Zimbabwe. The quantities involved in this programme will be 12 000 T of skimmed milk powder (4 000 T annually), 1 750 T butteroil (750 T - 1983 ; 500 T 1984,85).

ANNEX 1

MILK POWDER			BUTTEROIL		
	QTY	EEC PRICE ECU MILLIONS	QTY	EEC PRICE ECU MILLIONS	TOTAL
1982	4 000	5.78	1 000 T	4.5	11.28
1983	4 000	5.78	750 T	3.4	9.18
1984	4 000	5.78	500 T	2.25	8.03
1985	4 000	5.78	500 T	2.25	8.03
TOTALS: ECU MILLIONS		23.12		12.4	36.52

COUNCIL REGULATION (EEC)

ON THE SUPPLY OF SKIMMED MILK POWDER AS
FOOD AID TO THE REPUBLIC OF ZIMBABWE

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European
Economic Community,

Having regard to Council Regulation (EEC) No. 1037/82 of
26th April 1982 laying down general rules for the supply of
skimmed milk powder as food aid to certain developing
countries and specialized bodies under the 1982 programme
(1), and in particular Article 7 thereof,

Having regard to the proposal from the Commission,

(1) OJ No. L120 1.5.82 P1

Whereas Council Regulation (EEC) No. 1040/82 of 26th April 1982 on the supply of butteroil to certain developing countries and specialized bodies under the 1982 food aid programme (1) provides for a reserve of 1345 T of butteroil; whereas certain quantities are still available under that reserve;

Whereas the Community has received a request for food aid in the form of butteroil from the Republic of Zimbabwe; whereas the requirements justify the granting of food aid by the Community,

HAS ADOPTED THIS REGULATION:

Article 1

From the quantity of butteroil still available as a reserve under Regulation (EEC) No. 1040/82, 1000 tonnes shall be allocated as food aid to the Republic of ZIMBABWE.

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

(1) OJ No. L120, 1.5.82

COUNCIL REGULATION (EEC)

ON THE SUPPLY OF BUTTEROIL AS FOOD AID
TO THE REPUBLIC OF ZIMBABWE

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic
Community,

Having regard to Council Regulation (EEC) No. 1039/82 of
26th April 1982 laying down general rules for the supply
of Butteroil as food aid to certain developing countries
and specialized bodies under the 1982 programme (1), and
in particular Article 8 thereof,

Having regard to the proposal from the Commission,

(1) OJ No. L120 1/5/82 P5

Whereas Council Regulation (EEC) No. 1038 of 26th April 1982 on the supply of skimmed milk powder to certain developing countries and specialized bodies under the 1982 food aid programme (1) provides for a reserve of 10 990 T of skimmed milk powder; whereas certain quantities are still available under that reserve.

Whereas the Community has received a request for food aid in the form of skimmed milk powder from the Republic of Zimbabwe; whereas the requirements justify the granting of food aid by the Community,

HAS ADOPTED THIS REGULATION:

Article 1

From the quantity of skimmed milk powder still available as a reserve under Regulation (EEC) No. 1038/82, 2 500 Tonnes shall be allocated as food aid to the Republic of ZIMBABWE.

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

The President

(1) OJ No. L 120 1.5.82

