

EUROPEAN COMMUNITY

# GREEN EUROPE NEWSLETTER

IN BRIEF

## Common agricultural prices for 1980/81

— The conclusions

June 1980

Original : EN



Published by the Agricultural Information Service of the Directorate-General for Agriculture  
European Community Commission — 200, rue de la Loi, 1049 Bruxelles  
Supplement to the Documentation Bulletin - D/AGR - EN

11

The Council of Agriculture Ministers decided at its meeting of May 28 - 30, 1980 on the common agricultural prices and related measures to be applied in the 1980/81 marketing year. The major decisions, together with their agricultural economic background, are published in this special Green Europe Newsletter. The agreement on the common market organisation for sheepmeat will also be published in a special "Green Europe Newsletter - In Brief".

\*

\*

\*

The original proposals of the Commission are contained in the following documents :

"Proposals on Policy with regard to agricultural structures" (COM(79)122 of March 19, 1979

"Changes in the common agricultural policy to help balance the markets and streamline expenditure" (COM(79)710 of November 30, 1979

"Commission proposals on the fixing of prices for certain agricultural products and on certain related measures" (COM(80)10 of February 6, 1980 - Vols. I and II)

\*

\*

\*

In the agricultural policy :

1 ECU = 40,5191 Belgium/Luxembourg francs = 7,72336 Danish Krone = 2,75175  
German Marks = 5,8471 French francs = 0,659374 Irish £ = 1157,79 Italian  
Lire = 2,79391 Dutch florins = 0,618655 UK £ (situation 1.6.1980)

## SUMMARY

	<u>Page</u>
I. The conclusions and the agricultural "trilemma"	4
1. Prices and agricultural income	4
2. Market balance	5
3. The compromise and the budget	6
II. Monetary compensatory amounts have practically disappeared	7
III. Further steps to concentrate structural expenditure on poorer farmers and in less developed regions	8
IV. The outcome sector by sector	10
A. Milk	10
B. Grain	15
C. Sugar	20
D. Beef, veal and pigmeat	23
E. Wine	26
F. Olive oil	29
G. Tobacco	31
H. Fruit	33
V. Summary tables	
A. Table of prices for individual products	36
B. EAGGF Guarantee expenditure	41

## 1. THE CONCLUSIONS AND THE AGRICULTURAL "TRILEMMA"

When putting forward its agricultural price proposals for 1980/81 (see Green Europe Newsletter - In Brief - Numbers 7, 8, 9, 10) the Commission found itself confronted by a "trilemma". The outcome of this year's price fixing - based on a compromise put forward by the Commission - is explained in this paper in relation to this "trilemma" : the need to safeguard farm incomes; the need to bring about a better balance in some agricultural markets, especially milk; the need to stay within budget constraints.

The Commission advanced its compromise, in parallel with the April meeting of the European Council in Luxembourg, as part of its effort to find solutions to the complex of problems facing the Community (lack of a 1980 budget - British contribution to the Community budget - delay in setting agricultural prices - establishment of a common market organisation for sheepmeat). It is convinced that, within its limitations, the compromise is an important step towards the adaptation of the common agricultural policy to changed conditions.

### 1. Prices and agricultural income

Agricultural prices for the 1980/81 marketing year are listed in detail at the end of this paper. The price increases in ECU range between 5.5 % and 7.5 % - except for milk, beef and sugar where rises are limited to 4 %. The average is 4.8 %. The effect of these ECU rises is modified for some Member States by adaptations of green rates (see part II) so that the average increase in national currency prices is 5.7 %.

The following table shows that this year's increase continues the policy of price moderation for the fourth successive year.

	Price rise in EUA/ECU (average)	Prices in national currencies (average)	Community inflation (1)
1977/78	3,9 %	5,9 %	9,5 %
1978/79	2,1 %	7,6 %	8,2 %
1979/80	1,3 %	6,4 %	8,8 %
1980/81	4,8 %	5,7 %	12,0 % (estimation)

(1) Inflation in the economy as a whole (calendar years 1977, 1978, 1979 and 1980).

The retail price effect will vary from product to product but the global impact on household expenditure will be less than 0.5 %. These moderate price rises will make another contribution towards the Community fight against inflation. The average price rise differs between Member States as a result of green rate adaptations. They must be viewed against the background of widely differing national inflation rates.

	<u>1977/78</u>		<u>1978/79</u>		<u>1979/80</u>		<u>1980/81</u>	
	Ave- rage price rise	Infla- tion rate (1)	Ave- rage price rise	Infla- tion rate (1)	Ave- rate price rise	Infla- tion rate (1)	Ave- rage price rise	Infla- tion rate (1)
Germany	2.0	3.8	1.8	3.9	0.4	3.7	3.5	4.5
France	6.6	9.1	10.5	9.3	8.7	10.2	6.4	11.0
Italy	10.7	18.9	14.2	13.3	11.5	15.9	9.1	16.7
Netherlands	4.0	6.3	2.1	5.3	0.6	4.3	4.4	6.9
Belgium	4.1	6.7	2.2	4.5	0.8	4.9	4.6	4.7
Luxembourg	3.7	1.7	2.2	4.4	0.6	5.8	4.3	6.9
United Kingdom	6.4	13.7	10.4	10.3	12.0	14.1	4.7	21.6
Ireland	10.7	13.0	8.8	11.3	1.4	12.9	4.4	14.4
Denmark	4.3	9.2	2.1	9.6	1.3	7.3	4.9	10.2

The price compromise will help to protect the incomes and standard of living of the eight million people working in Community agriculture and their families. While putting pressure on dairy farmers through an increased co-responsibility levy, the compromise also includes income-effective measures for specialised beef producers (suckler cow premium), farmers in mountain and less-favoured areas (increased income aids) and farmers in the West of Ireland and Greenland (special programmes).

## 2. Market balance

The price compromise is accompanied by a series of measures aimed at achieving a better balance or a smoother working of different markets. These measures are set out in detail in Part IV of this paper.

---

(1) Inflation (in the economy as a whole) for 1977, 1978, 1979, 1980

While delaying introduction of a new sugar regime until 1981/82, the compromise contains a number of elements which will help to bring about a better balance in the milk market. The following elements are aimed at turning off the remorseless increase in milk output :

- a) the lower than average price rise (4 %);
- b) the co-responsibility levy increase from 0.5 to 2 % of the milk target price;
- c) the limitation of investment aids.

If, despite these measures, milk deliveries in 1980 increase by 1.5 %, a supplementary co-responsibility levy will be introduced from the beginning of the 1981/82 marketing year. The levy will be fixed at the level necessary to cover the disposal costs of all additional milk.

### 3. The compromise and the budget

EAGGF expenditure in 1980 will approach 11.5 billion EUA. This is 11 per cent more than in 1979, compared to an annual growth of 23 % between 1975 and 1979. This 1980 budget will exceed by 1 billion EUA the new budget proposals put forward by the Commission in February.

The bulk of this 1 billion EUA is accounted for by :

- 200 million EUA put into the 1980 budget for actions carried out in the milk sector in 1979;
- 400 million EUA spent in the dairy sector, essentially for a faster rhythm of exports of dairy produce as a sequel to surpluses built up in the past;
- 340 million EUA due to the change between the Commission's compromise and original proposal. This 340 million EUA is principally the result of 60 million EUA extra for the higher price rise (4.8 % average against 2.4 %), 300 million EUA for reduced income from the co-responsibility levy, a saving of 100 million EUA from the reduction in the proposed suckler cow premium.

The price rises agreed as part of the compromise, when compared to the prices in force in the 1979/80 marketing-year, will lead in total to an extra expenditure of 115 million EUA about 1 % of total Guarantee expenditure.

In 1981, EAGGF Guarantee Expenditure will about 13 billion EUA - which means that the increase over 1980 will be of the same order of magnitude as that of own resources (13 %). This figure takes into account the agricultural budget impact of Greek accession but not of the 1981/82 price fixing.

Community expenditure for agriculture will remain at about 0.5 % of Community GNP as in the past.

<u>EAGGF Guarantee Section Expenditure</u>				
(000 Mio EUA)				
	Total Expenditure	Milk	Beef	Cereals
1975	4.5	1.2	0.9	0.6
1976	5.6	2.3	0.6	0.7
1977	6.8	2.9	0.5	0.6
1978	8.7	4.0	0.6	1.1
1979	{ 10.4 { 10.6 (1)	{ 4.5 { 4.7 (1)	0.7	1.6
1980	forecast { 11.5 { 11.3 (2)	{ 4.9 { 4.7 (2)	1.2	1.6
1981	forecast 13.0	(-)	(-)	(-)

## II. MONETARY COMPENSATORY AMOUNTS HAVE PRACTICALLY DISAPPEARED

Germany is the only country to maintain a sizeable MCA. The following table compares the MCAs that existed on January 1, 1979 with those of June 1, 1980.

	<u>1.1.1979</u>	<u>1.6.1980</u>
Germany	+ 10.8	+ 8.8
Benelux	+ 3.3	+ 1.7
United Kingdom	- 27.0	+ 1.7
France	- 10.6	0
Italy	- 17.7	0
Ireland	- 2.0	0
Denmark	0	0

(1) Actual expenditure incurred by Member States on account of 1979.

(2) Forecast of Member State's expenditure on account of 1980. The difference between real expenditure and that committed is essentially due to expenditure on account of 1979 which had to be financed on 1980 budget.

In these 18 months, MCA reductions have been effected as the result of green rate adaptations in the 1979/80 price fixing and during the campaign and as a result of monetary evolution. The present compromise includes a reduction of existing MCA's in Germany by 1 point and in Benelux by 0.2 points. In the course of the negotiations (May 1980) the real ecart for France was reduced by 1.4 point and for Italy by 4.1 points. For Italy, this entailed a reduction in the MCA of 2.6 points.

The following table summarises green rate adaptations that have taken place since the 1979/80 price fixing together with the impact on institutional prices.

	<u>Date</u>	<u>Green rate adaptation</u>	<u>Institutional price effect</u>
Germany	1. 6.1980	+ 1.151 %	- 1.137 %
Benelux	1. 6.1980	+ 0.188 %	- 0.187 %
United Kingdom	1.10.1979	- 1.099 %	+ 1.111 %
	17.12.1979	- 5.000 %	+ 5.263 %
France	1.10.1979	- 1.035 %	+ 1.046 %
	1. 4.1980	- 3.496 %	+ 3.622 %
	12. 5.1980	- 1.336 %	+ 1.354 %
Italy	1.10.1979	- 1.121 %	+ 1.133 %
	17.12.1979	- 5.038 %	+ 5.305 %
	12. 5.1980	- 3.523 %	+ 3.652 %
Ireland	1.10.1979	- 0.976 %	+ 0.986 %
Denmark	1.10.1979	- 3.802 %	+ 3.952 %
	5.12.1979	- 4.628 %	+ 4.852 %

### III. FURTHER STEPS TO CONCENTRATE STRUCTURAL EXPENDITURE ON POORER FARMERS AND IN LESS DEVELOPED REGIONS

The compromise contains a substantial increase (60 %) in the maximum headage payment available to farmers in mountain and less-favoured areas, under Directive 268/75, the aid ceiling being raised from 50 to 80 EUA for each livestock unit. In the past, the payment has only been available to farms of 3 hectares or more but the compromise reduces this limit to 2 hectares for farms in the Italian Mezzogiorno and the French Overseas Departments. The



Community contribution to the cost of this and other payments to farmers in the mountain and less-favoured areas of Italy and Ireland is to be increased to 50 %. This 50 % Community contribution will also apply to aids paid under farm development plans in these areas and to aids paid to collectives for fodder production in the Italian Mezzogiorno.

The principle of concentrating resources in less-developed regions is carried further by special programmes for Greenland and the West of Ireland. A comprehensive package for the development of sheepfarming in Greenland, including the construction of a slaughterhouse, will receive Community aid of up to 8.2 million EUA over the next 10 years, a Community contribution of 50 % to the total cost.

A 10-year-programme for the West of Ireland - for rural infrastructure, land improvement, marketing and processing facilities, forestry development and the training of agricultural advisers - will receive up to 224 million EUA over 10 years, again a Community contribution of 50 %. The programme for the West of Ireland includes the important provision that farmers who have been unable to formulate a farm development plan to attain the comparable income will be eligible for similar aids under a scheme of farm improvement.

The Council has taken notice of the intention of the Commission to propose special structural measures for Northern Ireland, with a view to achieving structural improvements in the less-favoured areas and to promote improvement of processing and marketing related to the egg and poultry meat sector.

#### IV. THE OUTCOME SECTOR BY SECTOR

##### A. MILK : The sector at a glance

Milk production is the biggest single part of Community agriculture, accounting for 20 % of agricultural output and taking place on around 2 million - or about 40 % - of Community farms. It reached 102 million tonnes last year and is rising at about 2 % a year. An increasing proportion of this milk (93 % in 1979) is handled by dairies and dairy throughput is growing at 2 - 3 % a year. The number of dairy cows is more or less constant at about 25 million but the milk yield per cow is increasing steadily. Five million of these cows are scattered over a million farms.

The Community market for milk and dairy products is oversupplied. Consumption per head of fresh milk and all products except cheese is static, despite falling real prices and special measures to encourage consumption, especially of butter. The Community population is growing only slowly. The subsidised feeding of liquid skimmed milk and skimmed milk powder to animals is the major factor in balancing the market. Considerable subsidies are also paid to aid butter consumption and, in 1979, 663,000 tonnes (40 % of total consumption) was sold at reduced prices.

Community exports of dairy products (including food aid) increased substantially in 1979 : butter exports (including butteroil and food aid) at 495,000 tonnes were almost double those in 1978 and 1977, skimmed milk powder exports at 660,000 tonnes were 50 % higher and cheese exports were 250,000 tonnes against 219,000 in 1978 and 208,000 in 1977. The 1979 dairy export drive cost the Community 2.1 billion EUA against 1.6 billion in 1978 and 1.4 in 1977. The Community imported 120,000 tonnes of butter in 1979 - 25 % less than in 1975.

The purchase of butter and skimmed milk powder into intervention stores is vital in supporting dairy prices. However, Community stocks of skimmed milk powder have been reduced considerably and butter stocks are now falling. Present public stocks of butter are 253,000 tonnes and public stocks of skimmed milk powder stand at 153,000 tonnes.

PRICE OUTCOME

"9"			DE	FR	IT	BNL	UK	IR	DK
ECU per tonne	% in- crease (1)	% increase in national currencies (1)							
<u>Milk - Target price</u>									
1980/81	222,6	4,0	1,7	10,4	14,8	3,3	10,7	5,0	13,4
1979/80	214,0	0	0	7,0	9,9	0	10,8	0,3	0
1978/79	214,0	2,0	- 0,3	9,9	14,3	2,0	13,6	8,5	7,4
1977/78	209,8	6,5	6,5	9,3	13,9	6,5	6,5	33,7	14,4
1972/73 } 1980/81 } ∅	-	5,8	4,4	9,0	17,0	5,5	12,3	13,2	8,6
<u>Butter - Intervention price</u>									
1980/81	2.916,0	2,3	0,1	8,6	13,0	1,6	8,9	3,3	11,5
1979/80	2.849,7	0	0	7,0	9,9	0	10,8	0,3	0
1978/79	2.849,7	2,1	0,2	9,9	14,4	2,1	22,1	10,5	7,4
1977/78	2.792,1	5,9	5,9	8,7	13,3	5,9	24,7	35,4	13,7
1972/73 } 1980/81 } ∅	-	3,7	2,5	6,9	14,7	3,5	22,7	13,1	7,4
<u>Skimmed milk powder - Intervention price</u>									
1980/81	1.215,1	4,9	2,6	11,4	15,8	4,2	11,7	6,0	14,4
1979/80	1.157,9	0	0	7,0	9,9	0	10,8	0,3	0
1978/79	1.157,9	1,8	- 0,5	9,6	14,1	1,8	13,3	8,1	7,2
1977/78	1.137,5	3,0	4,4	7,1	11,6	4,4	4,4	31,0	12,1
1972/73 } 1980/81 } ∅	-	8,1	6,8	11,4	19,5	7,8	14,8	15,7	10,9

(1) The % increase in ECU is derived by comparing the beginning of the campaign year with the beginning of the preceding campaign. The % increases in national currencies add to this the price effects of green rate adaptations taking place in the beginning and during the campaign.

### Related measures

Although the ratio between fat and non-fat elements in the milk target price will remain virtually unchanged at about 45 : 55, the 4 % increase in the milk target price will not equally affect butter and skimmed milk powder. The butter intervention price will rise by 2.3 % and the skimmed milk powder intervention price by 4.8 %. The lower rise in the butter price will mean a reduced effect on household expenditure. The increase in the skimmed milk powder price will not require an immediate increase in the fourchette governing the establishment of aid for the use of skimmed milk powder in calf feed.

The sharp reduction in skimmed milk powder stocks and improved market conditions, has made it possible to suspend the programmes under which about 500,000 tonnes of powder a year were being sold at low prices for incorporation in pig and poultry rations. This has led to a budget saving of about 450 million EUA a year.

The co-responsibility levy is set at 2 % of the milk target price for the marketing year 1980/81 and will not be less than 1.5 % for the two following years (1981/82 and 1982/83). This compares with a levy of 0.5 % in the marketing year 1979/80. The levy will be payable on all milk delivered to dairies except, as in the past, for milk produced in mountain regions. The compromise also exempts for the 1980/81 marketing year the first 60,000 kilogrammes of milk produced by farmers in less favoured areas from 0.5 % of the levy. The 2.0 % levy will generate an income of about 400 million EUA in a full year to be used primarily for financing present programmes in the dairy sector.

The supplementary co-responsibility levy will take effect in the 1981/82 marketing year if milk deliveries in 1980 grow by 1.5 % or more in relation to 1979. This supplementary levy will be fixed in order to meet the costs incurred by the Community for the disposal of the additional quantities of milk. The method by which the supplementary levy will be implemented will be decided before the start of the 1981/82 marketing year.

Investment aids in the dairy sector will be limited to farmers following a farm development or a farm improvement plan under common measures. Aid will be limited to investment that is necessary to achieve the comparable income

for 1 1/2 labour units measured as 40 cows per labour unit by the end of the development programme or as a maximum increase of 15 % in the dairy herd by the end of the development programme.

The premium scheme for the non-commercialisation of milk and milk products - begun in 1977 - will end on September 15, 1980. The premium scheme for the conversion of dairy herds to specialised beef production - begun in 1977 - is scheduled to end at the end of the 1980/81 marketing year but may be continued beyond that date. Under these schemes dairy farmers were encouraged to cease delivering milk to dairies and either to change to beef production or other farm enterprises. Already, by the beginning of 1980, about 1 million cows had been taken out of producing milk for dairies and by the end of the 1980/81 marketing year the number of cows involved could well reach 1 1/2 million. This extra 1/2 million cows would normally account for about 1.5 - 2 % of Community milk deliveries.

The butter consumption subsidy, at present paid in Ireland, Denmark and Luxembourg and 75 % financed by the Community, will be available for the 1980/81 marketing year. The consumption subsidy in the United Kingdom will continue to be 100 % financed by the Community during the 1980/81 marketing year. The need for further measures in the butter sector, such as reduced price sales, will be examined before December 1980, the decision depending on the evolution of stocks to the end of the year. The reduced price sales last year cost 150 million EUA.

The suspension of inward processing arrangements for butter and skimmed milk powder will be maintained in the 1980/81 marketing year. This suspension has so far contributed markedly to the increase in exports, notably of butteroil and skimmed milk powder in recent years. Prior to this suspension considerable quantities of butter were being imported, processed, and re-exported substituting directly for Community exports.

Delays of payment for products purchased into intervention have already been harmonised between Member States and a first step has been taken towards bringing these payments procedures more in line with commercial practices. In the past, in some Member States sellers were being paid within 15 days after delivering the product to intervention stores. They are now being paid within 40 to 70 days after delivery.

EVOLUTION OF EAGGF GUARANTEE EXPENDITURE

000 Mio EUA

	1976	1977	1978	1979	1980 (prev.)
Total Guarantee Expenditure	5,6	6,8	8,7	10,4 } 10,6 } (2)	11,5 } 11,3 } (2)
Total Milk Expenditure	2,3	2,9	4,0	4,5 } 4,7 } (2)	4,9 } (1) 4,7 } (2)
of which					
Refunds	0,8	1,4	1,6	2,0	
Intervention	1,5	1,5	2,4	2,4	
Co-responsability levy	-	- 0,02	- 0,2	- 0,1	

(1) Preliminary evaluation - end of May 1980

(2) See foot notes page 7.

## B. GRAINS : The sector at a glance

About 27 million hectares, or about 1/3 of the agricultural area, are under grain in the EC. 3.5 million farms (about 2/3 of the total number of farms in the EC) are involved in grain production.

Grain is considered a rather large scale production. Indeed more than 10 million ha (40 %) are cultivated by only 5 % of the grain growers, who each have 30 ha or more of grain.

Grain production has increased by 1.6 % year over the last decade. It reached over 110 million tonnes in 1979, including 40 million tonnes each of common wheat and barley.

Only 12 % of final agriculture output is accounted for by grains. This reflects the fact that a large part (30 million tonnes) of the grain used for animal feeding is produced on the farm itself. Although the EC is some 92 % self-sufficient, it has an important grain trade, importing some 20 million tonnes, of which a considerable part for animal feeding (e.a. 12 million tonnes of maize) and exporting more than 10 million tonnes, mostly wheat and barley. Only 25 % of total grain consumption is destined for human food, more than 60 % being used for animal feeding (68 million tonnes).

More than a quarter of the common wheat produced and three quarters of the barley is used for animal feeding.

Rye has since the beginning of the CAP occupied a particular place, being of major importance in some regions, and up to about 40 % being destined for human consumption. The favoured treatment for rye under the market organisation has induced building-up of intervention stocks that were considered excessive.

Not being subject to the import-levy system for grain, the competition of products substituting grain for animal feeding, largely for intensive production has been a major problem for the EC grain market in the recent past. Imports of manioc grew from 2 million tonnes in 1974 to 6 million tonnes in 1978 but in 1979 this figure was reduced to 5 million tonnes,

PRICE OUTCOME

"9"					DE	FR	IT	BNL	UK	IR	DK
Target price ECU/t	% increase (1)	Inter-vention price ECU/t	% increase (1)	% increase of the target prices in national currencies (1)							
<u>Durum wheat</u>											
1980/81	294,71	6,3	260,33	4,5	5,0	12,8	17,3	6,1	13,1	7,3	15,8
1979/80	271,37	2,3	249,12	1,5	1,2	9,5	12,4	1,7	13,4	2,6	2,3
1978/79	271,13	0	245,43	0	- 0,3	7,7	12,0	0	8,1	6,4	5,3
1977/78	271,13	2,5	245,43	0,5	0,5	5,2	9,6	2,5	5,6	28,6	10,1
1972/73}	0 -	7,9	-	7,9	6,6	11,2	19,4	7,6	14,6	15,5	10,8
1980/81}											
<u>Common wheat</u>											
1980/81	214,01	6,3	155,88	4,5	5,0	12,8	17,3	6,1	13,1	7,3	15,8
1979/80	201,42	2,6	149,17	1,5	1,5	9,8	12,7	2,0	13,7	2,9	2,6
1978/79	196,32	2,7	146,97	1,3	2,4	10,6	15,1	2,7	11,1	9,3	8,1
1977/78	191,11	4,0	145,15	- 8,3	2,0	6,7	11,2	4,0	7,1	30,5	11,7
1971/73}	0 -	5,7	-	2,6	4,4	8,9	16,9	5,4	12,2	13,1	8,5
1980/81}											
<u>Barley and maize</u>											
1980/81	194,32	6,3	155,88	4,5	5,0	12,8	17,3	6,1	13,1	7,3	15,8
1979/80	182,89	2,8	149,17	1,5	1,6	9,9	12,9	2,2	13,9	3,1	2,8
1978/79	177,99	1,6	146,97	1,3	1,3	9,4	13,8	1,6	9,8	8,0	6,9
1977/78	175,26	5,2	145,15	3,5	3,1	8,0	12,5	5,2	8,3	32,0	13,0
			(only barley)								
1972/73}	0 -	5,6	-	3,7	4,3	8,8	16,8	5,3	12,1	13,0	8,4
1980/81}			(only barley)								
<u>Rye</u>											
1980/81	197,31	2,5	163,82	2,5	1,3	8,8	13,1	2,3	9,1	3,5	11,7
1979/80	192,50	2,7	159,82	1,5	1,5	9,8	12,8	2,1	13,7	3,0	2,6
1978/79	187,53	0	157,47	1,0	- 0,3	7,7	12,0	0	8,1	6,4	5,3
1977/78	187,53	4,0	155,91	4,0	2,0	6,7	11,2	4,0	7,1	30,5	11,7
1972/73}	0 -	5,6	-	4,2	4,4	8,8	16,8	5,3	12,2	13,1	8,4
1979/80}											

(1) The % increase in ECU is derived by comparing the beginning of the campaign year with the beginning of the preceding campaign. The % increases in national currencies add to this the price effects of green rate adaptations taking place in the beginning and during the campaign.



## The most important related measures

### a) Soft-wheat of bread-making quality

The basic Regulation n° 2727/75 provides that for soft wheat of bread-making quality, a reference price is applicable, supported by special intervention measures to be taken by the Commission. This price is fixed for a medium quality of the cereal in question. Nevertheless, the last-mentioned provision has been suspended since the introduction of the reference price, the latter having been fixed to date for a minimum quality in order to make the beneficial effect of the measure more generally available.

The above derogation is maintained in force for the 1980/81 marketing year.

### b) Durum wheat

Aid has been granted for many years to Durum wheat producers, in order to encourage production of this crop, which in certain regions is relatively onerous to produce, and can achieve only modest yields. This aid is now increased by 2.5 % to 79.24 ECU/ha. The guarantee afforded by the durum wheat intervention price is raised by 4.5 %.

### c) Rye

The persistence of heavy intervention stocks of this cereal, particularly in Germany, prompted the Commission proposal in November 1979 for a new system under which rye would be brought in three successive stages into the so-called "silo" mechanism, involving a single common intervention price for all fodder cereals. This plan has been maintained and therefore in 1982/83 rye will become subject to the silo arrangements. For the 1980/81 marketing year, the difference between the single common intervention price for fodder cereals (155.88 ECU/t) and the rye intervention price (163.82 ECU/t) has been reduced to 7.94 ECU/t.

As regards the special premium for rye of bread-making quality, the Commission had proposed an increase for 1980/81 as compared with the 1979/80 level which was intended to compensate for the reduction in the intervention price proposed. Nevertheless, since the rye intervention price is increasing by 2.5 % in

1980/81, this special premium is continued at the level of the preceding marketing year, that is to say 5.44 ECU/t.

d) Starch

Since the common market organization for cereals was set up, a refund has been granted to Community starch producers in order to take account of their relative competitiveness on the market. In November 1979, the Commission proposed that this refund should be abolished in three stages, by a third each time. This idea has not been adopted, but nevertheless a reduction for 1980/81 as compared with the 1979/80 level is provided for.

For potato starch, the additional premium is raised to 20 ECU/t.

e) Reduction in levy on certain imported fodder cereals

Since 1967/68, seaborne imports of fodder cereals into Italy have been granted a reduction in the levy in order to take account of the port situation in that Member State. The period of validity of the Regulation providing for this arrangement has already been extended several times. This reduction, amounting to 6.04 ECU/t in 1979/80, will be continued in 1980/81 at 6 ECU/t, and will be progressively abolished over the two marketing years following (4 ECU/t in 1981/82 and 2 ECU/t in 1982/83 and 0 ECU/t from 1983/84).

THE EVOLUTION OF EAGGF GUARANTEE EXPENDITURE

000 Mio EUA

	1976	1977	1978	1979	1980 (prev.)
Total Guarantee Expenditure	5,6	6,8	8,7	10,4 } (2) 10,6	11,5 } (2) 11,3
<u>Grain</u> sector (rice not included)					
- Total expenditure	0,7	0,6	1,1	1,6	1,6 (1)
of which exports refunds	0,4	0,4	0,8	1,2	

(1) Preliminary evaluation - end of May 1980

(2) See foot-notes page 7

C. SUGAR : The sector at a glance

Sugarbeet production accounts for 2.6 % of agricultural output and occupies about 1.8 million hectares - or 2 % of the Community's agricultural land. The area planted to beet has grown by almost 3 % a year since 1973 and the sugar yield from each hectare of beet is also increasing, at about 2 % a year.

The combination of increased beet plantings and higher sugar yields has meant big increases in Community sugar production. Output in 1979/80 was a record 12.3 million tonnes - of which 10.9 million were produced under the Community price and marketing guarantees. Consumption is static at around 9.5 million tonnes and exports of about 4 million tonnes were needed last year to balance the market. These exports included 1.4 million tonnes corresponding to preferential imports from ACP countries, the Overseas Countries and Territories and from India as well as 1.1 million tonnes of Community produced sugar qualifying for exports refunds.

In the last eight months, world sugar prices have increased substantially. At first, this made possible considerable reductions in the export refunds that were necessary in the 1978/79 marketing year (more than 300 ECU a tonne). Since mid-May 1980 it has become necessary to charge an export levy on sugar leaving the Community - a levy that is at present set around 130 ECU per tonne.

PRICE OUTCOME

"9"

DE    FR    IT    BNL    UK    IRL    DK

Sugar beet

	Minimum price ECU/t	% (1) increase	% increase in national currencies (1)						
1980/81	33,10	4,0	2,8	10,4	14,8	3,8	10,7	5,0	13,3
1979/80	31,83	1,5	0,4	8,6	11,5	0,9	12,5	1,8	1,5
1978/79	31,36	2,0	1,7	9,9	1,2	2,0	4,9	3,2	7,4
1977/78	30,74	3,5	1,5	6,2	10,1	3,5	6,4	29,7	11,1
1972/73 } 1980/81 } 0	-	5,6	4,4	8,9	15,3	5,4	15,2	14,5	8,4

White sugar

	Target price ECU/t	% (1) increase	% increase in national currencies (1)						
1980/81	451,9	4,5	9,3	10,9	15,3	4,3	11,2	5,5	13,9
1979/80	432,6	1,5	0,4	8,6	11,5	1,0	12,5	1,8	1,5
1978/79	426,2	2,0	1,7	9,8	14,3	2,0	10,3	8,5	7,4
1977/78	417,8	- 0,9	- 2,8	1,7	6,0	- 0,9	2,1	24,4	6,4
1972/73 } 1980/82 } 0	-	6,2	4,2	8,6	16,6	5,1	11,9	12,8	8,1
	Interven- tion price ECU/t	% (1) increase	% increase in national currencies (1)						
1980/81	429,3	4,5	3,3	10,9	15,3	4,3	11,2	5,5	13,9
1979/80	410,9	1,5	0,4	8,6	11,5	0,9	12,5	1,8	1,5
1978/79	404,9	2,0	1,7	9,9	6,1	2,0	7,0	5,3	7,4
1977/78	396,9	- 0,9	- 2,9	1,7	5,9	- 0,9	2,1	24,4	6,4
1972/73 } 1980/81 } 0	-	5,4	4,1	8,6	15,7	5,1	15,2	14,3	8,2

(1) The % increase in ECU is derived by comparing the beginning of the campaign year with the beginning of the preceding campaign. The % increases in national currencies add to this the price effects of green rate adaptations taking place in the beginning and during the campaign.

Related measures

Revisions of the sugar marketing arrangements were put forward by the Commission last year - see COM(79)710 and later revised slightly. These proposals have twin objectives. They aim to ensure that, so long as a quota system continues, the total quotas correspond as nearly as possible to demand (Community consumption and traditional exports). They also aim to ensure that while the cost of disposal of Community sugar corresponding to preferential imports remains a Community responsibility, the cost of other exports or disposal is borne by producers themselves. These proposals will be decided in time for the 1981/82 marketing year.

THE EVOLUTION OF EAGGF GUARANTEE EXPENDITURE

	Mio UEA				
	1976	1977	1978	1979	1980 (prev.)
Sugar	229	598	878	940	777 (1)

(1) Preliminary evaluation - end of May 1980

#### D. BEEF, VEAL AND PIGMEAT : The sector at a glance

Beef and veal accounts for about 16 % of Community agricultural output and is produced on about 2.7 million farms. Beef and milk production are related and about 80 % of beef and veal has its origin in dual purpose and dairy herds. Beef cow numbers are now stationary. They are being held on fewer farms so that the average size of beef production units has increased.

Beef and veal production reached 6.8 million tonnes in 1979 - about 6 % above 1978 - and imports, mostly under preferential arrangements, were 0.4 million tonnes. Consumption was a little over 6.8 million tonnes and was accompanied by exports of more than 0.3 million. Beef prices in 1979 and the first part of 1980 have been weak. It is for this reason that the Commission proposed a limited beef price rise but accompanied it by a scheme of direct payments to specialised beef producers that will help incomes but have no effect on retail prices. Intervention stocks of beef are around 200,000 tonnes. EAGGF Guarantee expenditure was 708 million ECU in 1979.

Pigmeat - 12 % of agricultural output - is produced on about 2.5 million farms, those with more than 200 head accounting for only 3 % of the total (75,000 farms). But structure is changing rapidly and the number of bigger units is growing. Pig numbers are around 75 million head - with about 8.7 million of these being breeding grows.

Pigmeat production in 1979 was 9.8 million tonnes, almost 5 % higher than 1978. Imports were 0.2 million tonnes largely accounted by lard and offals. Consumption in 1979 was 9.7 million tonnes and exports were about 0.2 million tonnes, half as preserved and half as fresh or frozen pork. Pigmeat has rapidly expanded its share of total meat consumption in recent years to take well over 40 % of the market.

PRICE OUTCOME

"9"

DE    FR    IT    BNL    UK    IRL    DK

Beef and veal

	Guide price ECU/t	% (1) increase	% increase in national currencies (1)						
1980/81	1.607,4	4,0	2,8	10,4	14,8	3,8	10,7	5,0	13,3
1979/80	1.545,8	1,5	0,4	8,6	11,5	9,5	12,5	1,8	1
1978/79	1.522,9	2,5	0,2	10,4	14,8	2,5	15,1	13,3	7,9
1977/78	1.485,8	3,5	3,3	6,2	10,7	3,5	10,9	35,2	11,2
1972/73 } 1980/81 } ∅	-	6,2	6,2	10,7	18,8	7,1	17,2	18,2	10,3

Pig meat

	Basic price ECU/t	% (1) increase	% increase in national currencies (1)						
1980/81	1.587,2	5,5	4,3	8,0	16,4	5,3	12,3	6,5	15,0
1979/80	1.504,5	1,5	0,4	1,5	11,5	0,9	12,5	1,8	1,5
1978/79	1.482,2	2,0	-0,3	21,8	14,3	2,2	10,3	8,5	7,4
1977/78	1.453,2	5,0	5,0	7,7	12,3	5,0	8,1	21,7	8,2
1972/73 } 1980/81 } ∅	-	6,0	4,7	9,2	17,2	5,7	12,6	13,7	8,8

(1) The % increase in ECU is derived by comparing the beginning of the campaign year with the beginning of the preceding campaign. The % increases in national currencies add to this the price effects of green rate adaptations taking place in the beginning and during the campaign.



Related measures

A suckler cow premium of 20 ECU per head will be paid on all cows in specialised beef herds. Member States can grant an additional national premium of another 20 ECU per cow.

The premium for the birth of calves paid in Italy will be extended for the 1980/81 marketing year - the premium being 42.948 ECU per calf paid by the EAGGF.

The variable premium for clean cattle paid in the United Kingdom will also be extended for the 1980/81 marketing year. The final decision on these premiums is subject to the opinion of the European Parliament. It will continue to be 25 % financed by the EAGGF.

These premiums can be cumulated with the suckler cow premium , with the milk non-marketing and beef conversion premiums and with headage payments paid under the mountain and less-favoured areas directive and the guidance premium referred to in Directive 72/159/EEC.

The Community grading scale for beef carcasses will be adopted before January 31, 1981. It will be applied from the beginning of the 1981/82 marketing year especially for the observation of market prices and the operation of intervention measures.

No agreement could be reached on the proposed suspension of intervention of beef from June to August. The Council, taking into account the difficulties experienced in the operation of the intervention system, agreed, on the basis of a report from the Commission before 1 December 1980, to consider further ways in which the rigidity of the present operation of intervention can be reduced.

#### E. WINE : The sector at a glance

Less than 3 % (2.7 million ha) of the UAA of the Community is under vines, but with a total harvest of 132.5 million hl in 1979 the EC is by far the world's largest single producer (47 %). In 1977/78 exports were 4.4 million hl, but largely of quality wines for which there is normally no marketing problem, and imports 5.8 million hl. While the average harvest in recent years (1970 to 1976) has been 148 million hl, in fact the range is very great due to very large differences in yield possible from one year to the next (example : 127 million hl in 1972 to 170 million hl in 1973). The two very large harvests of 1973 and 1974 were the direct cause of the grave crisis which affected the sector at that time, giving rise to greatly increased EAGGF expenditure, mostly on special distillations. For one of the main problems at the root of the crisis was the need to deal (by distillation) with a large unexpected quantity of table wine of modest or inadequate quality which could not find a market for direct human consumption or industrial uses, and thus had to be distilled into ethyl alcohol.

A number of factors, quite apart from national or regional habits, tend to reduce consumption in industrialized societies. There is an estimated surplus of between 6 and 10 million hl of table wine, a production increase by 1 % a year on average and a practically stagnant consumption.

Total stocks are presently very high. In the medium term, however, the implementation of Community's 1979-85 Action Programme should bring about a better balance between production and requirements and hence more stable prices.

Obviously EAGGF expenditure on the wine sector fluctuates as violently as production and consequent intervention. After extreme lows in 1978 and 1979 much higher expenditure will have been generated in 1980 by the bumper 1979 harvest.

PRICE OUTCOME

	Guide price ECU/ohl	% increase (1)	FR	IT	DE
--	---------------------------	----------------------	----	----	----

FR IT DE  
% increase in national currencies (1)

Type A I (white)

1980/81	2,45	2,9	9,3	13,7	1,8
1979/80	2,38	1,3	8,5	11,5	0,3
1978/79	2,35	2,2	10,0	14,4	1,9
1977/78	2,30	5,5	5,9	10,4	1,3
1972/73 } 1980/81 } 0	-	5,2	9,5	16,3	3,9

Type R I (red)

1980/81	2,62	3,1	9,5	13,9	2,0
1979/80	2,54	1,6	8,5	11,5	0,4
1978/79	2,50	2,0	9,9	14,3	1,6
1977/78	2,45	3,4	6,3	10,8	1,6
1972/73 } 1980/81 } 0	-	6,2	8,3	17,4	5,7

Types A I and R I include the bulk of French and Italian Table Wines

(1) The % increase in ECU is derived by comparing the beginning of the campaign year with the beginning of the preceding campaign. The % increase in national currencies add to this the price effects of green trade adaptations taking place in the beginning and during the campaign.

Related measures

An agreement was also reached on the extension of the existing rules for wine distillation known as the garantie de bonne fin. This involves guaranteeing the distillation, at a rate of 90 % of the intervention price for white table wines, and 91.5 % in the case of red, of a maximum quantity per producer amounting to 18 % of the amount he has contracted for long-term storage.

THE EVOLUTION OF EAGGF GUARANTEE EXPENDITURE

Million EUA

	1976	1977	1978	1979	1980 (prev.)
Total Wine expenditure	134	90	64	62	350 (1)

(1) Preliminary evaluation - end of May 1980

## F. OLIVE OIL

For 1978/79 production is estimated at about 400,000 tonnes (against 744,000 tonnes for the 1977/78 estimate based on aid applications). The sole reason for these fluctuations is the yields, since the production potential (190 million trees standing on 2.3 million ha) has remained stable.

The price ratio between olive oil and seed oil is about 2.5 which has led to a considerable decline in olive oil consumption.

Consumption decline together with the good harvest in 1977/78 resulted in a drop in imports (90,500 against 147,000 in 1976/77). Imports for 1978/79 are estimated at 86,900 tonnes.

Some 14,000 tonnes were exported in 1977/78 and nearly 40,000 tonnes in 1978/79. Intra-Community trade is very limited.

At the beginning of the 1979/80 marketing year, the Italian intervention agency held about 50,000 tonnes of all qualities of olive oil.

PRICE OUTCOME

	Guide price ECU/100 kg	% increase (1)	<u>Italy</u> % increase in national currency (1)
1980/81	247,97	5,5	16,5
1979/80	235,04	1,5	11,5
1978/79	231,56	2,0	14,3
1977/78	227,02	1,5	8,6
1972/73 } 1980/81 } 0	-	6,4	17,7

	Intervention price ECU/100 kg	% increase (1)	
1980/81	180,12	4,0	14,8
1979/80	173,19	1,5	11,5
1978/79	170,63	4,8	17,5
1977/78	162,75	- 3,3	4,6
1972/73 } 1980/81 } 0	-	9,5	21,0

THE EVOLUTION OF EAGGF GUARANTEE EXPENDITURE

	1978	1979	1980 (prev.)
		Million UEA	
Total olive oil expenditure	182	388	467

(1) The % increase in ECU is derived by comparing the beginning of the campaign year with the beginning of the preceding campaign. The % increase in national currencies add to this the price effects of green trade adaptations taking place in the beginning and during the campaign.

G. TOBACCO : The sector at a glance

In 1979 Community production of raw tobacco was 194,000 tonnes or 3 % of world production and 0.4 % by value of final agricultural production in the Community. During the past decade, this production has risen by 53 % principally because of increased yields.

Tobacco consumption has stabilised, but the economic recession, increases in taxation and anti-tobacco campaigns may lead to a decline.

While the Community's self-supply rate is only 26 %, intervention takes place for some raw tobacco varieties (Orientals, Kentucky).

Community protection is provided only by the Common Customs Tariff. However, around 1/3 of imports enter the EEC without customs duties (ACP) or are reduced as a result of preferential agreements (GSP's) or GATT provisions.

Intervention stocks are at present about 24,000 tonnes.

1980 harvest

% increases in national currencies

IT

FR

Price

All tobacco varieties

- Average increase in ECU : 4.8 %      8.6                      6.2

Premium

All tobacco varieties

- Average increase in ECU : 7.0 %      10.0                      8.4

THE EVOLUTION OF EAGGF GUARANTEE EXPENDITURE

1976	1977	1978	1979	1980 (prev.)
185	205	216	226	282

### Related measures

Together with the Council Directive to increase prices overall by 2.5 % for all varieties, premiums are also increased by the same amount, but with a further 0,08 ECU/kg for Paraguay, Burley, Kentucky, and Round Tip. For Badischer Burley a flat-rate increase identical to that for Italian Burley.

Certain measures have been adopted applicable to all varieties of tobacco except Aerezgovia and Perustitza, where the total amount of these tobaccos in bales offered to intervention by a processing undertaking exceed 25 % of the weight equivalent in Community leaf tobacco treated by the undertaking in question.



#### H. FRUIT AND VEGETABLES : The sector at a glance

Fresh fruit and vegetable production in the Community is characterized if anything by volatility of production level in the case of fruit, and very low self-sufficiency more specially in the case of citrus fruit (59 % of Community needs were imported in 1977/78). In the medium term, both fruit and vegetable production - concentrated largely in France and Italy - tends however to be fairly stable, notwithstanding a very marked drop in per capita consumption of fresh fruit presumably due to continuing consumer preference for processed products.

The Community is normally practically self-sufficient in vegetables. The fruit sector, however, is involved in intensive trading with third countries, and protective measures are frequently needed when imports are offered below the reference price level.

The sector presents a picture of typical small-farm structure. This is especially the case in Italy. In this member State the negative consequences of this situation are parried by market penetration premiums for Community citrus fruit, and a degree of financial compensation for processing enterprises.

The penetration premiums for oranges, mandarines and clementines are set taking account both of the preceding level of the amount itself and of the trend in basic and buying-in prices of the product concerned.

Furthermore, producers belonging to recognized Producer Groups are eligible for intervention by means of withdrawal from the market, but at a very low level (20 to 50 % only of the normal market price). This system operates for cauliflowers, tomatoes, peaches, table grapes, pears, apples, mandarines, oranges and lemons. In 1978/79 almost 650.000 tonnes of produce were withdrawn from the market (and largely used for distillation or animal feed), accounted for mostly by apples (366,000 tonnes) and citrus fruit (171,000 tonnes). Every effort was made, in accordance with the prevailing Community rules, to avoid actual destruction of these amounts, and practically all the produce remaining after diversion to the above two uses was distributed free of charge.

PRICE OUTCOME

Basic price ECU/100 kg 1979/80	% increase (1) 80/81	DE	FR	IT	BNL	UK	IRL	DK	
		% increase in national currencies (1)							
<b>TOMATOES</b>									
18,49	24,27	31,3	29,8	39,3	44,9	31,3	39,7	32,6	43,1
<b>CAULIFLOWERS</b>									
15,26	15,27	0,1	- 1,1	6,2	10,5	- 0,1	12,1	1,1	9,1
<b>PEACHES</b>									
32,44	35,89	10,6	9,4	17,4	22,1	10,4	17,8	11,7	20,6
<b>APPLES</b>									
19,18	19,96	4,1	2,9	10,4	14,9	3,9	10,8	5,1	13,4
<b>ORANGES SWEET</b>									
32,44	31,42	- 3,1	- 4,2	2,8	6,9	- 3,3	3,1	- 2,2	5,6

(1)The % increase in ECU is derived by comparing the beginning of the campaign year with the beginning of the preceding campaign. The % increase in national currencies add to this the price effects of green trade adaptations taking place in the beginning and during the campaign.

Related measures

Together with the increase in basic prices for all fruits and vegetables by an average of 3.5 % the following related measures should be applied :

- a) the penetration premium for oranges, mandarines and clementines is increased by 3.5 % as well;
- b) the financial compensation for lemons is continued for the campaign 1980/81 and increased also by 3.5 %;
- c) the aid for processed fruits and vegetables is reduced by 10 %.

EVOLUTION OF EAGGS GUARANTEE EXPENDITURE

Mio EUA

	1976	1977	1978	1979	1980 (prev.) (1)
Total Fruit and Vegetable Expenditure	185	178	101	443	659
of which					
Fresh	168	155	70	152	200
Processed	17	23	31	291	459

(1) Preliminary evaluations - end of May 1980

V.A Table of prices for individual products

Product	Category of price or amount	Amounts fixed 1979/80 Ecu/tonne	% increase per year		1980/81		Period of application
			1979/80 first year (1)	1979/80 1978/79	amounts Ecu/tonne	% increase	
1	2	3	4	5	6	7	8
Durum wheat	Target price	277,37	5,2	2,3	294,71	6,25	1.8.80 - 31.7.81
	Single intervention price	249,12	4,8	1,5	260,33	4,50	
	Aid	77,31/ha	-	1,7	79,24	2,50	
Common wheat	Target price	201,42	3,8	2,6	214,01	6,25	1.8.80 - 31.7.81
	Common single intervention price	149,17	1,9	1,5	155,88	4,5	
	Reference price for bread-wheat (minimum quality)	166,06	1,3	1,5	175,20	4,25	
Barley	Target price	182,89	4,3	2,8	194,32	6,25	1.8.80 - 31.7.81
	Common single intervention price	149,17	3,2	1,5	155,88	4,5	
Rye	Target price	192,50	4,5	2,7	197,31	2,5	1.8.80 - 31.7.81
	Single intervention price	159,82	3,5	1,5	163,82	2,5	
Maize	Target price	182,89	4,4	2,8	194,32	6,25	1.8.80 - 31.7.81
	Single intervention price	149,17	4,0	1,5	155,88	4,5	
Rice	Target price - husked rice	382,28	4,9	5,0	408,56	6,37	1.9.80 - 31.8.81
	Single intervention price - paddy rice	218,58	3,4	3,3	233,96	7,04	
Sugar	Minimum price for sugarbeet	31,83	4,1	1,5	33,10	4,0	1.7.80 - 30.6.81
	Target price for white sugar	432,60	4,4	1,5	451,9	4,46	
	Intervention price for white sugar	410,90	4,4	1,5	429,3	4,43	

1	2	Amounts fixed 1979/80	1979/80		1980/81		Period of application	
			1979/80 first year (1)	1974/80 1978/79	amounts ECU/tonne	% increase		
1	2	3	4	5	6	7	8	
Seeds	Aid (per 100 kg)							
	- Monoecious hemp	12,7	10,7	0	12,9		1.7.80-30.6.82	
	- Fibre flax	17,5	10,4	0	17,8	1,5		
	- Linseeds	13,9	6,7	0	14,1			
	- Grasses	12,1-45,9	3,2 - 3,4	0 - 0	2,3-50,3			
	- Legumes	4,8-33,9	-3,1 - 4,9	0 - 0	4,9-36,8			
- Rice	12,1	-	0	12,1	on average			
Table wine Type	Guide price (per degree/hl or per hl according to type)	RI	2,54	4,5	1,6	2,68	5,5	16.12.80-15.12.81
		RII	2,54	5,4	1,6	2,68	5,5	
		RIII	39,61	4,4	1,5	41,79	5,5	
		AI	2,38	4,3	1,3	2,51	5,5	
		AII	52,79	4,6	1,5	55,69	5,5	
		AIII	60,28	4,6	1,5	63,60	5,5	
Raw tobacco	Guide price	(2)	2,6	1,5	(2)	4,8	1.8.80-31.12.80	
	Intervention price		on average	on average		on average		
Fruit and	Basic price	(3)	3,0	1,4	(3)	3,5 on average	1980 - 1981	

Product	Category of price or amount	Amounts fixed 1979/80 Ecu/tonne	% increase per year		1980/81		Period of application
			1979/80 first year (1)	1979/80 1978/79	amounts Ecu/tonne	% increase	
1	2	3	4	5	6	7	8
Olive oil	Production target price	2 350,40	4,1	1,5	2479,7	5,5	1.11.80-31.10.81
	Market target price	1 470,00	3,3	0,7	1801,2	4,5	
	Intervention price	1 731,90	5,3	1,5			
	Production aid	529,00	1,7	1,5			
Oilseeds	Target price	364,10	3,4	1,5	386,9	6,25	1.7.80-30.6.81
	- Colza and rape seed	396,60	4,1	1,5	426,3	7,5	1.9.80-31.8.81
	Basic intervention price	353,60	3,4	1,5	367,7	4	1.7.80-30.6.81
	- Colza and rape seed	385,10	4,1	1,5	400,5	4	1.9.80-31.8.81
	Guide price						
	- Soya seed	394,80	7,0	0,9	420,5	6,5	1.11.80-31.10.81
	- Flax seed	397,90	4,3	1,5	421,8	6	1.11.80-31.7.81
	- Caster seed	515,40	1,5	1,5	543,7	5,5	1.10.80-30.9.81
	Fixed rate aid (per ha)						
	- Cotton seed	133,38	5,9	1,5	140,72	5,5	1.10.80-31.7.81
Dried fodder	Fixed rate aid	6,14	1,7	1,7	6,51	6	1.4.80 - 31.3.81
	Guide price	126,40	1,5	1,5	134,62	6,5	
Peas and beans	Activating price	349,70	1,5	1,5	375,9	7,5	1.7.80 - 30.6.81
	Minimum price	214,80	1,5	1,5	226,6	5,5	
Flax and hemp	Fixed rate aid (per ha)						1.6.80-31.7.81
	- Fibre flax	248,55	7,2	1,5	264,71	6,5	
	- Hemp	225,74	9,9	1,5	240,41	6,5	

1	2	Amounts fixed 1979/80 Ecu/tonne	% increase per year		1980/81		Period of application
			1979/80 first year (1)	1979/80 1978/79	Amounts Ecu/tonne	% increase	
		3	4	5	6	7	8
Milk	Target price for milk	214,00	5,1	0	222,6	4,0	1.4.80 - 31.3.81
	Intervention price						
	- for butter	2 849,70	2,8	0	2.916,0	2,3	
	- for skimmed milk powder	1 157,90	8,0	0	1.215,1	4,9	
	- for cheese						
	. Grana padano 30-60 days	2 794,30	5,8	0	2.896,1	3,6	
	. Grana padano 6 months	3 390,90	5,9	0	3.493,5	3,2	
	. Parmigiano-Reggiano 6 months	3 699,80	5,9	0	3.807,4	2,9	
Beef and veal	Guide price for adult bovines (*) (live weight)	1 545,80	5,9	1,5	1.607,6	4,0	7.4.80 - 5.4.81
	Intervention price, for adult bovines (live weight)	1 391,20	3,7	1,5	1.446,8	4,0	
Pigmeat	Basic price (slaughter weight)	1 504,46	4,5	1,5	1.587,27	5,5	1.11.80 - 31.10.81
Silkworms	Aid per box of silk seed	67,50	9,3	1,5	71,31	5,5	1.4.80-31.3.81
	Aid to recognized producer groups (per box)	-	-	-			

(\*) Sucking cow premium of 60 ECU is calculated as being equal to another 1.5 % increase in the guide price.

- (1) i.e. Annual rate of increase since the introduction of the common price.
- (2) Nineteen varieties of tobacco, the prices for which apply to the calendar year.
- (3) Products in Annex II of the Council Regulation of 18 May 1972 and periods varying according to the products

Cauliflowers	: 1.5.1980 to 30. 4.1981	Table grapes	: 1. 8.1980 to 31.10.1980
Tomatoes	: 1.6.1980 to 30.11.1980	Apples	: 1. 8.1980 to 31. 5.1981
Peaches	: 1.6.1980 to 30. 9.1980	Mandarines	: 16.11.1980 to 28. 2.1981
Lemmons	: 1.6.1980 to 31. 5.1980	Sweet oranges	: 1.12.1980 to 31. 5.1981
Pears	: 1.7.1980 to 30. 4.1981		

- (4) Special price increase of 5.44 ECU/t is proposed for bread-making rye.



V.B. EAGGF GUARANTEE EXPENDITURE

	Expenditure 1979	Previsions 1980
Total EAGGF Guarantee Expenditure (fishery not included)	10.627 (1) 10.387 (2)	11.500
of which :		
Grain and rice	1.607	1.655
Milk : - expenditure	4.825 (1)	4.870 (1)
- co-responsibility levy	4.585 (2)	
	4.731(1)	4.647 (3)
	4.491(2)	4.859 (4)
	- 94	5.073 (2)
		- 223
Olive oil	388	467
Sugar	940	777
Beef	748	1.155
Fruit and vegetables	443	659
Wine	62	350
Tobacco	225	282

(1) Actual expenditure incurred for the year 1979;

(2) Expenditure committed for 1979.

(3) Forecast of real expenditure for 1980.

(4) Forecast of expenditure to be committed under the 1980 budget; this exceeds real expenditures since the excess of expenditure by the Member States in 1979 over the amounts appropriated for that year is also written into the 1980 budget