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E.C. MINISTERS ADOPT MAJOR FARM REFORMS

The European Community's Council of Ministers has adopted a package of reforms in a major effort to adapt the Common Agricultural Policy to changed economic circumstances.

The package includes strict controls on milk production, a stringent policy for 1984-85 farm prices and restrictions on production eligible for support. The measures will control agricultural costs, which account for about two-thirds of the E.C. budget, by more accurately reflecting market conditions.

The Council, meeting March 30 and 31 in Brussels, took the following actions:

Milk Production. Because milk supply exceeds demand, forcing the Community to purchase large quantities, production quotas were set for five years at 1 percent above 1981 milk deliveries. Harsh levies will be applied to milk producers, or in some cases dairies, that exceed their assigned limits.

Exceptions were made, however, for Ireland because of the great importance of milk to its economy and for Italy because of its relatively low level of production. Their quotas are based on their 1983 deliveries.

As a transitional measure, however, member states will be allowed to produce additional quantities in 1984-85. To cover the cost, the "co-responsibility levy" that dairy farmers now pay as part of a program to discourage surplus production was raised to 3 percent of the target price, or basic support price, for milk -- up from 2 percent. The overall Community milk quota is 99.6 million tons for 1984-85. The 1985-86 quota will be 98.4 million tons, which is about 5 percent less than the amount produced in 1983.

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In an effort to stimulate consumption, the Council also cut the butter "intervention price," or minimum support price, by 10 percent.

Prices. Average common farm prices in 1984-85 will decrease by 0.5 percent as expressed in European Currency Units*, the E.C.'s accounting unit. For the first time, the Council's decisions resulted in a lower price level than that proposed by the Commission of the European Communities (+0.8 percent). Although average prices will increase by 3.3 percent when translated into national currencies, the predicted 1984 inflation rate in the Community of 5.5 percent will mean a decline in real farm incomes.

Guarantee Thresholds. These thresholds, which restrict the volume of produce for which farmers receive a guaranteed price, were extended to three new products -- sunflower seed, durum wheat and raisins. They were continued for milk, cereals, colza, cotton, tomatoes and sugar.

Other Measures. In an effort to restore price unity in the agricultural market, the Council agreed to a phased dismantling of existing "monetary compensatory amounts" (internal border payments and deductions designed to offset the impact of currency fluctuations on farm prices).

As a counterpart to restrictions on dairy and cereals production and intensified efforts by the Community to move its own grain prices toward those of its competitors, the Council authorized the E.C. Commission to open negotiations with third countries aimed at a temporary stabilization of imports of corn gluten feed and other cereal substitutes -- with appropriate compensation to suppliers. It also restricted the quantity of butter imports from New Zealand.

In addition, special financial aids or premiums were modified for milk, beef, sheepmeat, cereals, proteins, fruits and vegetables.

The Council's decisions mark a turning point in the development of the Common Agricultural Policy, vindicating the E.C. Commission's efforts during the past three years to promote a political consensus in favor of farm reform. The package will permit agriculture to become more integrated into Europe's economic development as part of an overall plan for renewal of the Community.

*ECU = \$0.85 on April 4, 1984

Price decisions for individual products

Product	Category of price or amount	1983/84		1984/85 decisions		Period of application of the price decisions	Greece (a)	
		Amounts ECU/ton	% increase	Amounts ECU/ton	% increase		Amounts fixed 1983/84 ECU/ton	Decisions 1984/85 ECU/ton
1	2	3	4	5	6	7	8	9
Common wheat	Target price	261.41	4.3	259.08	- 0.9		C.P.	C.P.
	Common single intervention price	184.58	3.0	182.73	- 1.0	1.8.84 - 31.7.85	C.P.	C.P.
	Reference price for bread-wheat - average quality	215.29	3.0	213.14	- 1.0		C.P.	C.P.
Durum wheat	Target price	355.42	4.8	357.70	0.6		C.P.	C.P.
	Intervention price	312.08	4.6	312.08	0.0	1.8.84 - 31.7.85	C.P.	C.P.
	Aid	99.81	7.5	101.31	1.5		77.36(e)	89.34(e)
Barley	Target price	238.17	4.3	236.30	- 0.8		C.P.	C.P.
	Common single intervention price	184.58	3.0	182.73	- 1.0	1.8.84 - 31.7.85	C.P.	C.P.
Rye	Target price	238.17	4.3	238.37	- 0.1	1.8.84 - 31.7.85	C.P.	C.P.
	Intervention price	184.58	3.0	184.58	0.0		C.P.	C.P.
Maize	Target price	238.17	4.3	236.30	- 0.8		C.P.	C.P.
	Common single intervention price	184.58	3.0	182.73	- 1.0	1.8.84 - 31.7.85	C.P.	C.P.
Rice	Target price-busked rice	523.16	5.3	539.49	3.1	1.9.84 - 31.8.85	C.P.	C.P.
	Intervention price - paddy rice	306.53	5.5	314.19	2.5		C.P.	C.P.
Sugar	Basic price for sugarbeet	40.89	4.0	40.89	0	1.7.84 - 30.6.85	C.P.	C.P.
	Intervention price for white sugar	534.70	4.0	534.70	0		C.P.	C.P.

Product	Category of price or amount	1983/84		1984/85 decisions		Period of application of the price decisions	Greece (a)	
		Amounts	%	Amounts	%		Amounts fixed 1983/84	Decisions 1984/85
		ECU/ton	increase	ECU/ton	increase		ECU/ton	ECU/ton
1	2	3	4	5	6	7	8	9
Olive oil	Production target price	3 104.2	5.5	3 162.3	- 1.0		C.P.	C.P.
	Intervention price	2 299.2	5.5	2 276.2	- 1.0	1.11.84-31.10.85	C.P.	C.P.
	Production aid	702.6	5.5	695.6	- 1.0		405.2	550.4
Oilseeds:	Target price							
	- Colza and rape seed	482.2	4.0	472.6	- 2.0	1.7.84-30.6.85	C.P.	C.P.
	- Sunflower seed	527.1	6.0	502.2	- 1.0 (1)	1.8.84-31.7.85	C.P.	C.P.
	Intervention price							
	- Colza and rape seed	438.0	4.0	429.2	- 2.0	1.7.84-30.6.85	C.P.	C.P.
	- Sunflower seed	527.1	6.0	532.7	- 1.0 (1)	1.8.84-31.7.85	C.P.	C.P.
	Guide price							
- Soya beans	561.7	6.5	570.1	1.5	1.9.84-31.8.85	C.P.	C.P.	
- Flax seed	545.9	6.0	548.6	0.5	1.8.84-31.7.85	C.P.	C.P.	
Minimum price soya beans	494.3	6.5	501.7	1.5	1.9.84-30.8.85	C.P.	C.P.	
Dried fodder	Fixed rate aid	8.49	6.0	8.41	- 1.0	1.4.84-31.3.85	C.P.	C.P.
	Guide price	178.94	6.0	177.15	- 1.0		C.P.	C.P.
Peas & beans	Activating price	517.6	8.7	512.4	- 1.0	1.7.84-30.6.85	C.P.	C.P.
	Guide price	334.4	6.5	331.1	- 1.0		C.P.	C.P.
	Minimum price	291.9	6.5	289.0	- 1.0			
Lupins	Activating price	.	.	478.2	.	1.7.84-30.6.85	C.P.	C.P.
	Minimum price	.	.	317.9	.			
Flax and hemp	Fixed rate aid (per ha)							
	- Fibre flax	355.12	6.0	351.37	- 1.0	1.8.84-31.7.85	118.37	277.72
	- Hemp	322.52	6.0	319.29	- 1.0		107.51	252.72

(1) Taking account of the proposal to modify the standard quality from an oil content of 40% to an oil content of 42%.

Product	Category of price or amount	1983/84		1984/85 decisions		Period of application of the price decisions	Greece (a)	
		Amounts	%	Amounts	%		Amounts fixed	Decisions 1984/85
		ECU/ton	increase	ECU/ton	increase		1983/84 ECU/ton	ECU/ton
1	2	3	4	5	6	7	8	9
Cotton	Guide price	927.5	8.0	941.4	1.5	1.9.84 - 31.8.85	G.P.	C.P.
	Minimum price	881.2	8.0	894.4	1.5		C.P.	C.P.
Table wine								
Type R I	Guide price	3.45	5.5	3.42	- 1.0	1.9.84-31.8.85	C.P.	C.P.
R II	(per degree/hl or per hl	3.45	5.5	3.42	- 1.0		C.P.	C.P.
R III	according to type)	53.84	5.5	53.30	- 1.0		C.P.	C.P.
A I		3.20	6.0	3.17	- 1.0		C.P.	C.P.
A II		71.74	5.5	71.02	- 1.0		C.P.	C.P.
A III		81.93	5.5	81.11	- 1.0		C.P.	C.P.
Raw tobacco	Guide price (x)		4-7.5		-3 - +2	1984 harvest	C.P.	C.P.
	Promie (x)		5-8.5		-3 - +2			
Fruit & vege-tables	Basic price		3.5-6.5		-1 - +2	1984 - 1985	(d)	(d)
			(d)					

Product	Category of price or amount	1983/84		1984/85 decisions		Period of application of the price decisions	Grace (a)	
		Amounts ECU/ton	% increase	Amounts ECU/ton	% increase		Amounts Fixed 1983/84 ECU/ton	Decisions 1984/85 ECU/ton
1	2	3	4	5	6	7	8	9
Milk	Target price for milk	274.3	2.3	274.3	0.0	1.4.84 - 31.3.85		
	Intervention price							
	- for butter	3 578.6	2.3	3 197.0	- 10.6			
	- for skimmed-milk powder	1 496.4	2.3	1 658.8	10.9			
	- for cheese							
	. Grana padano						C.P.	C.P.
	30-60 days	3 612.8	2.3	3 817.5	5.7			
	. Grana padano 6 months	4 395.3	2.3	4 727.5	7.6			
	. Parmigiano-Reggiano							
	6 months	4 802.6	2.3	5 216.1	8.6			
Beef and veal	Guide price for adult bovines					2.4.84 - 1.4.85		
	Intervention price for adult bovines	2 070.9	5.5	2 050.2	- 1.0		C.P.	C.P.
		1 863.8	5.5	1 845.2	- 1.0			
Sheep-meat	Basic price (carcase weight)	4 323.6	5.5	4 280.4	- 1.0	4.4.84 - 31.3.85	C.P.	C.P.
							C.P.	C.P.
Pigmeat	Basic price (slaughter weight)	2 053.87	5.5	2 033.30	- 1.0	1.11.84-31.10.85	C.P.	C.P.
Silk-worms	Aid per box of silk seed	106.00	6.0	107.59	1.5	1.4.84-31.3.85	84.01	95.80

Estimates

- (a) Greek prices are shown only where they differ from the common prices.
C.P. = common price.
- (b) Where appropriate, account has been taken of the triggering of the production threshold.
- (c) For Greek regions which did not receive national aid before accession, Community aid is 57.26 ECU/ha for 1983/84 and will be 79.29 ECU/ha for 1984/85.
- (d) Products in Annex IX of the Council Regulation (EEC) No 1035/72 of 18 May 1972 and periods of application.

	<u>Greece</u>			
	<u>1983/84</u>	<u>1984/85</u>	<u>1984/85</u>	
	:	:	:	
Cauliflowers	6.5% :	2.0% :	C.P. :	1. 5.1984 to 30. 4.1985
Tomatoes	3.5% :	-1.0% :	6.4% :	11. 6.1984 to 30.11.1984
Peaches	6.5% :	0.5% :	6.5% :	1. 6.1984 to 30. 9.1984
Lemons	6.5% :	0.5% :	C.P. :	1. 6.1984 to 31. 5.1985
Pears	3.5% :	0.5% :	C.P. :	1. 7.1984 to 30. 4.1985
Table grapes	6.5% :	2.0% :	C.P. :	1. 8.1984 to 31.10.1984
Apples	3.5% :	0.5% :	C.P. :	1. 8.1984 to 30. 6.1985
Mandarins	3.5% :	0.5% :	4.6% :	16.11.1984 to 28. 2.1985
Sweet oranges	6.5% :	0.5% :	9.0% :	1.12.1984 to 31. 5.1985
Apricots	6.5% :	-1.0% :	C.P. :	1. 6.1984 to 31. 7.1984
Aubergines	6.5% :	2.0% :	C.P. :	1. 7.1984 to 31.10.1984

For Greece, lower prices have to be fixed for tomatoes, peaches, mandarins and oranges (price alignment and increase included). Common prices are applicable for cauliflowers, lemons, table grapes, apples, apricots, aubergines and pears.

(xx) Increases in 1984/85 in Guide Prices and Premiums for tobacco varieties

<u>Variety</u>	<u>Guide Price (xx)</u>	<u>Premium</u>
Mavra, Tsobolia	- 3	- 2
Perchheimer Navanna, Benevenano	- 3	- 3
Badischer Goudertheimer, Kentucky,)		
Paraguay, Nijkerk, Missionero,)		
Round-Tip, Xanti-Yaka, Perustitza,)	0	0
Ersegovina, Kaba Koulak (non classic),)		
Myrodata Agrinion)		
Badischer Burley, Virgin D, Bright,)		
Burley I, Burley OR, Maryland,)	2	2
Virginia OR, Basmas Katerini,)		
Kaba Koulak (classic), Eichomyrodata)		

(xx) The figures for Greek varieties are further increased by the incorporation of the third 25 % of national aid.

