

European BACKGROUND INFORMATION Community

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AGRICULTURAL BACKGROUND NOTE

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DROUGHT TO BOOST COMMON MARKET FARM IMPORTS

Corn, barley, soybeans and cake, fodder, and potatoes are among the products the European Community will have to buy on world markets as a result of poor harvests following the severe drought, according to the EC Commission's latest estimates for the 1976/1977 marketing year.

The Community will also export less wheat and sugar than usual because both products will be needed at home, EC consumers should, however, have enough food, except potatoes, at reasonable prices, according to estimates.

Rainfall from southern England to the north-Rhine area has been from 40 per cent to 60 per cent below normal, with varying effects on crops, depending upon when they were sown.

Cereals

Common wheat (mainly winter wheat) was less affected by the drought than were spring wheat and other grains. Durum wheat production fell by 200,000 metric tons to about 4 million tons.

Compared with the 1975 harvest, barley production dropped about 2 million tons to 30 million tons. The harvest was below average in quality mainly because of the high percentage of small grains, especially in brewer's barley.

It is too early to estimate this year's corn crop, but the Commission has tentatively set the figure at about 11.5 million tons. The harvest, the Commission feels, will be much lower than last year's as a result of a reduction in acreage under cultivation (especially in France) in addition to damage done by the drought.

Total production of cereals this harvest year is estimated at 93 million tons, a drop of 4 per cent from last year.

Consumption of cereals on the farm has been increasing, especially common wheat (7 million tons) and barley (14.7 million tons). To make up for the shortage of other fodder, commercial feed-grain consumption will further rise.

Import requirements for both fodder and brewer's barley are high (more than 3 million tons), but the Commission feels that substitutes may have to be used because of the limited world market. Corn imports, however, should grow from 13 million tons last year to between 16 million and 18 million tons this year.

Sugar

Community sugar production is expected to decline 14 per cent to 9.6 million tons. This estimate is very tentative, however, because samplings thus far have shown that the weight of beet per acre is low while its sugar content is high.

Imports from countries associated with the Community by the Lome Convention will amount to 1.3 million tons of sugar and an additional .12 million tons will be imported in processed products from non-member countries.

With sugar consumption expected to equal production, the Community expects a 1.42 million ton surplus this year.

Feedingstuffs

Usually, the Community consumes 14 million tons of oilcakes a year. Of these, 600,000 tons are domestically produced from colza seed, a crop not affected by the drought. This year's harvest was estimated at 950,000 tons to 970,000 tons, as compared with 900,000 tons in 1975.

Sunflower seed production is likely to drop to 115,000 tons to 135,000 tons, as compared with 165,000 tons in 1975.

Since the Community's oilcake production covers only 4 per cent to 5 per cent of its needs, the Community has to import the remainder. In the first six months this year, Community imports of oilseeds and oilcakes rose by 25 per cent to 30 per cent.

Imports are estimated as follows: 9 million tons of soybeans, 4 million tons of soybean cake, 2 million tons of other oilseeds, and 4 million tons of other oilcakes.

The Community's dehydrated fodder production was badly hit by the drought and imports may not be able to cover the shortage. In France, the main producer country, the drop in production could amount to 40 per cent. Imports of substitutes are thus likely to increase.

Beef and Veal

For cattle farmers, the drought has badly hurt the profitability of beef and veal production, and it will also hasten the running down of production potential. Cattle herds, which had already shrunk by 2.3 per cent last December, will again be cut this December because of the shortage of fodder and increases in feed prices.

Although more animals will be slaughtered, the average carcass weight will probably fall. The drop in beef and veal production will be only about half of the 6 per cent originally forecast, but will fall even more in 1977.

Milk and Milk Products

Deliveries of milk will probably increase 1.5 per cent in 1976. Stocks of skim milk powder will probably amount to 1.25 million tons at the end of the year with a figure of between 275,000 tons and 300,000 tons for butter.

Fruit and Vegetables

The drought is not expected to affect the Community's fruit supply.

The vegetable situation is less clear because of the possibilities for rapid crop rotation and greenhouse growing. However, the drought clearly hurt the pea and bean crops where the harvest in affected areas is only 20 per cent to 85 per cent of normal. For unharvested crops (cauliflower and other late cabbages, onions, canning carrots, and root vegetables), planting and growth took place in many areas under bad conditions, and a drop in production of up to 30 per cent has been forecast.

Coping with Shortages

In an effort to alleviate the expected shortages, the EC Council of Ministers decided on September 9 to extend the total and temporary suspension of customs duties for white and red cabbages, fresh peas, and carrots until November 1, 1976. In addition, it decided on a partial suspension (to 8 per cent) of customs duties on rib celery from October 1, on beans and onions until November 1. The Council also extended the total and temporary suspension of customs duties on potatoes and seed potatoes until December 31. Customs duties on preserved green beans are to be reduced from 24 per cent to 16 per cent until December 31.