

Newsletter on the Common Agricultural Policy

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Commission's first proposals concerning
seeds and seedlings for agriculture and forestry

The EEC Commission has recently proposed to the Council of Ministers the five draft directives dealing with seeds and seedlings for use in agriculture and forestry.

These directives concern the marketing of:

- (a) Beet seed;
- (b) Forage seeds;
- (c) Cereal seeds,
- (d) Seed potatoes,
- (e) Seeds and seedlings for use in forestry.

The chief aim of these directives is to ensure that agriculture and forestry are supplied only with seeds and seedlings which can be expected to have important advantages as to yields, reliability of performance and suitability for the grower's purpose. These directives are therefore first and foremost measures of agricultural policy designed to step up productivity in farming, the cultivation of seedlings and the development of woodlands (Article 39(1 a) of the Treaty of Rome). They are consequently based on Article 43.

They are also designed to harmonize laws and regulations on seeds and seedlings, eliminating to a great extent the qualitative restrictions still applying, though in varying degrees from country to country, to trade in these items between Member States.

The directives for a number of groups of plants have been based on international standardization systems worked out by the FAO, the OECD and the Economic Commission for Europe, and also on experience gained of national systems in a number of Member States.

The government experts of the various Member States have made a vital contribution to the drafting of the directives. The professional and business circles concerned have also had many opportunities to make suggestions.

The directives proceed from the principle that marketing in the producing State or other States of the Community will be permissible for the most important species of seeds and seedlings only if they comply with the quality requirements outlined in the directives. This means that seeds and seedlings used in agriculture must be officially checked and certified for trueness to varietal name (genetic value)⁽¹⁾ and external characteristics⁽²⁾. Forestry seeds and saplings⁽³⁾ must also meet certain requirements concerning the

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- (1) Value of properties normally transmitted by heredity for the variety in question, and which therefore re-emerge in the succeeding generation.
 - (2) Quality (technical purity, i.e. freedom from admixture with other substances, germination power, state of health).
 - (3) Seeds, cones, parts of plants and seedlings, produced (notably in nurseries) from seeds or parts of plants.

genetic value of the basic material, that is to say of the parent trees or of the clone. For the time being no requirements are laid down concerning external characteristics.

For agricultural seeds and seedlings reference has been made to concepts already introduced on the international plane, i.e. "basic seeds" and "certified seeds". The basic seed, as the foundation of all production of seedlings and seeds, must have been produced under the responsibility of a plant-breeder (whose work is fundamental to all crop-raising) and following the rules of systematic reproduction as regards the varieties to be produced. Furthermore, this basic seed must attain certain minimum standards and be intended for the production of certified seed. Certified seeds and seedlings must, in principle, be the direct progeny of officially certified basic seed, fulfil certain minimum requirements and be intended for the growing of crops. For commercial forage seeds, however, certain temporary exceptions must be allowed (the guarantee would apply only to conformity with varietal name) since there are not yet satisfactory varieties of seeds for all the important forage plants.

In order to ensure that agriculture is supplied with seed which is in actual fact checked and officially certified, that is to say in order to guarantee conformity to varietal name, it is proposed to introduce common rules on packaging, official sampling, and official closing and sealing. In this connection, it is vital that labels give the information necessary for the farmer and that they indicate certification in accordance with EEC rules.

Seed which meets all the requirements of the directives may be subjected only to the marketing restrictions laid down or allowed under the Community regulations, without prejudice to the provisions of Article 36 of the Rome Treaty (right of the Member States to promulgate prohibitions or restrictions in respect of importation, exportation or transit which are justified on grounds of the protection of human or animal life or health, or the preservation of plant life).

During an initial stage, one of the restrictions allowed must be that the Member States may limit the marketing within their territory of seeds and seedlings to those varieties which, in their view and according to their experience, can be profitably grown in the country. This will apply until such time as a Community catalogue of varieties has been established. National catalogues of the kind already exist in a number of Member States. The Commission regrets this restriction, which will remain for some time an obstacle to the complete withdrawal of all qualitative trade restrictions in the sectors concerned. But the Commission's committees, in association with the government experts, are endeavouring to work out with minimum delay common criteria for inclusion in the catalogues of specific varieties which can be profitably grown in individual Member States, so that all varieties investigated and approved by the countries may automatically be included in Community catalogues if their value for cultivation extends over more than one country.

Independently of the catalogues of varieties, the Member States will have to establish lists of varieties the seeds of which may be certified in their territory. Before inclusion on these lists, checks will have to be made on the living plant as regards the possibility of distinguishing it from other varieties and also its trueness to type and its stability.

As regards cereals, beet and forage, it will be possible to certify seeds produced in other Member States or in non-member countries by the direct use of certified EEC basic seeds. This is especially important for plants of the kinds for which, given the weather conditions in the EEC area, production difficulties might arise.

Other seedlings and seeds produced in non-member countries may be dealt with in the same way as seeds and seedlings certified in the EEC area if they offer consumers the same guarantees as to their properties and the examination, safety and verification measures applied in the country of origin.

It is also proposed to establish EEC testing stations for the above-mentioned classes of agricultural plants, in order to make annual Community checks of certified seeds and seedlings, including those from non-member countries. These testing stations must first be used with a view to harmonizing certifying methods; later they will also serve to provide an overall picture of the effectiveness of certifying measures in the individual countries.

In the case of seed potatoes only, decisive importance will be attached from the outset to tests of the resulting crop, since the essential criterion here is plant health (particularly resistance to virus diseases). If the progeny of seed potatoes of a given variety, or of those imported from a particular Member State should greatly deviate from the quality standard for three years running, a Member State may cease to import these seed potatoes. The first testing station for potato seedlings has already been set up with the co-operation of the certifying departments of a number of Member States (CIP - the station is at Petegem, near Oudenaarde, in Belgium).

The Commission is also engaged in work on other plants of importance to agriculture. A working party is already dealing with vegetable seeds; talks are expected shortly on vine stocks and shoots; finally, the problem of harmonizing the marketing of the seeds of plants grown for oil or fibre will be taken up in the near future.

For forestry seeds and seedlings the situation is different from that for seedlings used in agriculture: the short growing periods required for most plants used in agriculture has made it possible to develop systematic cultivation of the plants, but progress in selection in the forestry sector has been much less marked because of the much longer growing periods involved. Only as regards fast-growing species of trees, with vegetative propagation (poplars), may prompt results be expected from progeny tests. The EEC system for forestry seeds and seedlings will therefore differ in many respects from the arrangement for agricultural species. It will be founded on the principle that the Member States will apply the highest possible common requirements to the admission of basic stock from which seeds, shoots and seedlings suitable for marketing must be exclusively derived. In this connection, a decisive role will be played by classification of the basic stock according to origin regions presenting equivalent

natural conditions and stands with analogous genetic, or at any rate morphological, features and showing equivalent characteristics as wood producers. In fact the "seed arboreta" which have already proved their worth in the quality of their progeny will in future be more highly rated as a source of basic materials.

In the same way as for the national lists of varieties, the Member States will provisionally have to be left free to refuse to accept seeds, seedlings, etc., from certain sources which in view of their genetic properties may adversely affect yields or timber production.

Forestry seeds and seedlings originating from non-member countries will also be allowed access to markets in the EEC area under similar conditions to those applying to agricultural seeds and seedlings.

In order to guarantee trueness to varietal name, the proposals contain provisions on isolation during the harvesting, storage, transport and cultivation of seeds and seedlings as well as on sealing, particularly with a view to marketing.

None of these directives covers seeds and seedlings which are manifestly intended for export to non-member countries where the regulations may be different.

In addition to the directives, the Commission has submitted to the Council of Ministers a draft decision which provides for the establishment of a Standing Committee of government experts on agricultural, horticultural and silvicultural seeds and seedlings. This Committee will supervise uniform application in the Member States of all the harmonized rules on seeds and seedlings, and will advise the Commission on all decisions it will have to take in order to ensure uniform application of the directives.

The Commission hopes that these measures, which have been proposed after detailed study and consultation with all parties, will serve to improve in the near future the quality of products as important as seeds and seedlings and to eliminate surviving trade restrictions in the Common Market.

Decisions and regulations: progress on
the common agricultural policy

On 5 February the EEC Council of Ministers approved the new basic regulations establishing common organizations of the markets in the milk, beef and rice sectors. It also approved a regulation on the granting of aid by the European Agricultural Guidance and Guarantee Fund and the relevant financial regulation. The texts of these new regulations have since been published in the official gazette of the European Communities, No. 34, 27 February 1964.

EEC departments and committees are now concentrating on drafting the necessary implementing provisions, which must be adopted in time for the new regulations to come into operation on 1 July.

On 3 March the Council adopted, on a proposal from the EEC Commission, the first important implementing regulation for organization of the beef market. It deals with "determination of the lower and upper limits of beef guide prices". The regulation will enter into force on 1 July for the marketing year beginning 1 April 1964.

The upper and lower limits of the guide prices for beef of full-grown stock have been fixed at DM 235/100 kg and DM 205/100 kg respectively, and the upper and lower limits for veal have been fixed at DM 345 and DM 305 respectively. Within a month of the Council's decision, the individual Member States are required to post their guide prices, which may not lie outside the limits.

The guide prices thus established are to be reviewed each year, so that uniform guide prices for comparable qualities will be achieved not later than 31 December 1969.

The EEC Commission has also laid before the Council the first proposed implementing regulations for the other two basic regulations.

In respect of the common organization of the rice market, these new provisions cover determination of the limits of target prices in the rice-producing Member States (France and Italy) and determination of the threshold prices for rice and broken rice in the non-rice-producing Member States (Netherlands, Belgium/Luxembourg, Federal Republic of Germany) for the marketing year opening on 1 July 1964. The responsible committees in the Council of Ministers have begun consultations.

The Council has also started to examine the first draft implementing regulations on the common organization of the market for milk and milk products. The proposals in question are for:

- (a) A Council decision on the upper and lower limits of the guide price bracket for milk produced in the first year of operation of the common market organization (1 April 1964 - 31 March 1965);
- (b) A Council regulation on the definition of best butter;
- (c) Establishment of reference prices, formation of product classes and determination of pilot products;
- (d) A regulation on determination of the level of transport costs to the frontier of importing Member States and on determination of the free-at-frontier prices of certain milk products.

On 3 March the Council was able to adopt a decision authorizing the Kingdom of Belgium to fix intervention prices for home-produced fresh best butter in derogation from Article 21 of the milk regulation.

In Belgium target prices for milk and intervention prices for butter have so far been fixed at varying levels according to the season. Relatively high prices in the colder six months of the year have been offset by relatively low prices in the warmer season. The new provision will therefore stimulate production during the period when cattle are being fed indoors and hence will ensure the even distribution of milk products over the year.

But the Council has decided that uniform target prices for milk and uniform intervention prices for butter will be valid in all Member States for the entire milk year. This decision obliges Belgium to make new arrangements to secure the desired uniformity of milk output throughout the year. Such measures could be taken by the dairies, which could arrange for a phasing of the actual prices paid for milk. In order to give the Belgian Government and the dairy product industry in Belgium an opportunity to develop such a system the Council of Ministers has decided to make an exception by authorizing Belgium to maintain a seasonal phasing of butter intervention prices for a limited period. However, this exception must not have the effect of placing Belgian butter and Belgian milk producers in a more favourable position than the butter and milk producers of the other Member States.

Discussion of the common cereal price
gets down to essentials

The EEC Council of Ministers met on 3-4 March for the opening rounds in the debate on the common cereal price. Five of the six Member States explained in extremely clear terms why they supported the Commission's proposal to the Council for a Council regulation on the fixing of cereal prices for the 1964/65 marketing year and on the determination of marketing centres. The representatives of the five Member States concerned left no doubt of their desire to see a common cereal price fixed as early as possible and even earlier than the appointed date. They believed this to be vital, particularly in view of the imminent opening of the Kennedy round.

None the less, some delegations expressed reservations on technical points, and discussion of the Commission's proposal will continue on 23 March in Brussels. An effort will be made to reach a final decision at the Council's session of 23-25 March, since the Commission's proposal also embodies the proposal for the fixing of cereal prices for the 1964/65 marketing year. The farmers in the Member States must be advised with absolute accuracy of the cereal prices they can expect to be paid in the coming season.

Five of the Member States also agreed that the date of entry into force of the single cereal price, its level and the price relationships between the various types of cereal should be decided by the Council before 15 April of this year.

On 27 February the EEC Economic and Social Committee, which comprises representatives of all sectors of economic life in the Community, came out practically unanimously in favour of the Commission's proposal on the single cereal price.

Prices ease on the EEC pigmeat markets

In a report to the Council on the pigmeat market situation, the Commission discussed trends from 1 July 1963 to 19 January 1964, a period during which prices on slaughter-cattle markets, but particularly consumer prices for pigmeat, were steadily rising. In the report the reasons for the persistent contraction of supply and the corresponding rapid price increase in the Member States are set out. They have nothing to do with the EEC market arrangements, but arise from the normal cyclical development of prices which is a feature of supply in the pigmeat sector.

The report also makes a forecast of the pigmeat market situation in the EEC in 1964, and suggests solutions to current problems.

Since the beginning of February a growing tendency for pigmeat prices to ease has been noted, which is good news for the consumer provided processors and the trade pass the benefit of the new trend on.

Pigmeat prices in the six Member States
(average quotations on representative
slaughter-cattle markets)

in DM/kg
and in national currencies

Currency	BELGIUM		GERMANY (FR)		FRANCE		ITALY		LUXEMBOURG		NETHERLANDS	
	Bfrs.	DM	DM	FF	DM	Lit.	DM	Lfrs.	DM	Fl.	DM	
Reference prices	32.357	2.59	3.44	3.504	2.84	471.9	3.02	45.00	3.60	2.21	2.44	
January 1963	35.4	2.83	3.48	3.73	3.02	571	3.66	42.25	3.38	2.27	2.51	
February 1963	34.1	2.73	3.35	3.71	3.01	590	3.78	"	"	2.31	2.55	
<u>January</u>												
5.12.63 - 5.1.64	48.1	3.85	4.09	4.96	4.02	585	3.75	42.25	3.38	3.13	3.46	
6.1.64 - 12.1.64	47.5	3.80	4.25	5.00	4.05	589	3.77	"	"	3.08	3.40	
13.1.64 - 19.1.64	48.1	3.85	4.28	4.76	3.86	588	3.76	"	"	3.18	3.51	
20.1.64 - 26.1.64	49.4	3.95	4.30	4.58	3.71	584	3.74	"	"	3.08	3.40	
27.1.64 - 2.2.64	47.8	3.82	4.29	4.66	3.77	577	3.69	"	"	3.02	3.34	
<u>February</u>												
3.2.64 - 9.2.64	44.2	3.54	4.13	4.75	3.85	564	3.61	"	"	3.01	3.33	
10.2.64 - 16.2.64	42.6	3.41	4.13	4.57	3.70	556	3.56	"	"	3.06	3.38	
17.2.64 - 23.2.64	41.0	3.28	4.12	4.37	3.54	576	3.69	"	"	3.00	3.33	
24.2.64 - 1.3.64	42.3	3.38	4.04	4.34	3.51	563	3.60	"	"	2.92	3.26	

However, with a view to bringing pigmeat prices - which are still too high on the Community market - further back to normal, the EEC Commission has laid before the Council of Ministers a proposed regulation to scale down the levies on imports from non-member countries of pigs and certain cuts of pigmeat between 15 February and 31 March 1964. The proposal provides for a levy reduction equal to the levy charged in the Netherlands and equivalent to that ordered in a similar previous regulation. This means in practice that the current regulation is extended. The Council of Ministers adopted the new regulation on 5 February 1964.

The previous day the Council approved the usual regulation (which becomes necessary every three months) for adjustment of the pigmeat levies to changes in feed-grain prices on world markets. This regulation relates to imports between 1 April and 30 June 1964. Because the gap between the Dutch feed-grain price and the corresponding world market price has narrowed, one component in the levy is reduced by 1.4616 u.a. (= \$ US) per 100 kg. Since the other two components in the levy remain unchanged, the overall adjustment of the levy on imports from non-member countries is also 1.4616 u.a. per 100 kg.

The Commission's departments have also prepared the regulation on adjustment of sluice-gate prices for pigs and pigmeat in respect of imports from non-member countries between 1 April and 30 June 1964. Here the increase in the prices of feed-grains on the world markets which has since occurred must be taken into account, so that the sluice-gate price for pig carcasses should rise slightly.

Bringing egg market conditions back to normal

In view of price trends for eggs and poultry on the Community market, on 6 February the EEC Commission issued two regulations adjusting the levy surcharge on imports from non-member countries.

One of these regulations fixes the surcharge to be added to the ordinary levy on imports of slaughtered poultry from non-member countries. The surcharge is increased from 0.05 u.a. to 0.0625 u.a.

The Commission also made arrangements concerning the surcharge payable on imports from non-member countries of poultry eggs in shell. The surcharge was raised from 0.075 u.a. to 0.15 u.a. As a result, producers' prices on the Community egg markets, which had fallen particularly low, are now beginning to inch up again, so that the Commission has been able to cut the surcharge back to 0.125 u.a.

The "gentleman's agreement" on poultrymeat refunds will once again have full force of law from 6 April onwards

Since the beginning of February Belgium has again been paying, on exports of poultry to the other Community countries, the "major refund", which is also payable on exports to non-member countries.

France, however, has kept to the "gentleman's agreement", which provides for a voluntary reduction of the major refund by 12 pfennig per kg on exports to the other Member States.

The reason given by Belgium for resuming payment of the major refund is that the "gentleman's agreement" placed it at too great a disadvantage vis-à-vis France. But at the meeting of EEC Ministers of Agriculture on 4 March 1964, the Federal Republic of Germany, the main importing country, claimed that continued payment of the major refund was unacceptable. The ministers eventually reached a compromise according to which Belgium was authorized to maintain the major refund until 4 April, when it must once again adhere to the "gentleman's agreement". The Council had already decided at its marathon session in December 1963 that the exporting Member States will stop paying the major refund completely from 1 July of this year onwards. This gives the following picture:

Refunds on exports of slaughtered poultry

	Situation until 4 April 1964			"Gentleman's agreement" from 4 April 1964 to 1 July 1964		
	<u>Belgium</u>	<u>France</u>	<u>Netherlands</u>	<u>Belgium</u>	<u>France</u>	<u>Netherlands</u>
Refund	48 pf.	75 pf.	0	36 pf.	75 pf.	0
Levy	<u>79 pf.</u>	<u>79 pf.</u>	<u>57 pf.</u>	<u>79 pf.</u>	<u>79 pf.</u>	<u>57 pf.</u>
	+31 pf.	+ 4 pf.	+57 pf.	+43 pf.	+ 4 pf.	+57 pf.

(all figures in M per kg, vis-à-vis the Netherlands, the intra-Community levy is charged)

Situation from 1 July 1964

	<u>Belgium</u>	<u>France</u>	<u>Netherlands</u>
Refund	0	0	0
Levy	<u>47</u>	<u>46</u>	<u>57</u>
	+47	+46	+57

(only the importing Member States will impose the intra-Community levy)

Improvement of the viticultural land register

Under the common organization of the wine market, the main activity is at present the preparation of the viticultural land register. The Commission's departments have drafted a proposed regulation which is now before the Council and which details supplementary provisions for the establishment and current administration of the viticultural land register. The appropriate department of the Commission is also examining problems connected with the control of quality wines.