

Newsletter on the Common Agricultural Policy

Weekly

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AGRICULTURAL STRUCTURES

TEN COMMUNITY PROGRAMMES

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PI

LAND REFORM

1. Purpose

The purpose of the programme is to promote schemes for the comprehensive improvement of the major conditions governing agricultural output. More specifically, it is designed to:

- (a) Lower production costs by establishing conditions to facilitate more rational farm management and the reduction of the number of agricultural workers;
- (b) Increase production per person working in agriculture, not only by modifying production, perhaps through afforestation, but also by raising the yields of crops already cultivated.

2. Projects financed

1. The programme comprises schemes which, when co-ordinated and combined with the consolidation of farms, always involve the following range of basic operations:

- (a) Those essential to the improvement of the distribution of holdings;
- (b) Construction or improvement of farm roads;
- (c) Improvement or reorganization of water supplies.

2. The programme also provides for the complementary investments that are required if its objectives are to be attained and are linked with the operations mentioned above (buildings, perennial crops, marketing premises).

3. Lastly, the programme makes provision for the financing of facilities for the training, retraining and further training of persons working in agriculture who are affected by the land-reform operations.

The schemes are subject, inter alia, to the following conditions:

- (i) They must involve areas of at least 2 000 hectares;
- (ii) Total investment must not exceed an average of 850 units of account per hectare for the basic operations (4 000 units of account when they are carried out on horticultural land, in vineyards or in areas to be irrigated);

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- (iii) They should result in the constitution of farm businesses of a size and form such as will ensure rational operation;
- (iv) They must ensure that products can be shown to be competitive by economic forecasts;
- (v) They must be backed up by adequate marketing of farm produce originating in the surrounding area.

3. Areas of main effort

The main operations are concentrated in regions where there are genuine prospects of expanding agricultural output but which have not been developed previously because of the number and variety of deficiencies in the structure of holdings.

PII

IRRIGATION

1. Purpose

The object of the programme is to help improve labour productivity by irrigating farmland which is otherwise satisfactory as regards production. Irrigation should be designed to:

- (i) attenuate the natural risks in farming;
- (ii) increase land-utilization potential;
- (iii) lengthen the growing season.

2. Projects financed

The programme comprises the following projects:

- (a) Supply of irrigation water;
- (b) Distribution of water to the various plots of land requiring irrigation and subsequent disposal of surplus water;
- (c) Installation of irrigation plant and preparation of plots.

The programme also provides for the following work to be carried out:

- (i) Improvement of farm roads;
- (ii) Creation of windbreaks.

It is also specified that:

- (a) the areas to be improved by the projects should comprise at least 300 hectares of cultivable farmland;
- (b) total investment should not exceed 3 000 units of account per hectare;
- (c) the projects should ensure that products can be shown to be competitive by economic forecasts;
- (d) they must be backed up by adequate marketing arrangements.

3. Areas of main effort

Assistance from the Fund will be concentrated on areas where lack of water is chiefly responsible for low agricultural incomes and where irrigation is the prior condition for increasing the prosperity of farm holdings.

PIII

DRAINAGE

1. Purpose

The object of the programme is to help improve labour productivity by draining farmland which is subject to frequent flooding or whose water table is too high but which is otherwise satisfactory as regards production. The drainage should be designed to:

- (i) attenuate the natural risks in farming;
- (ii) increase land-utilization potential;
- (iii) lengthen the growing season.

2. Projects financed

The programme comprises the following projects:

- (a) Watercourse regulation to prevent the flooding of farmland;
- (b) Construction and installation of outlets and collecting drains to improve the runoff of water from farmland.

If it is needed and is connected with the operations listed above, the following work may also be carried out under the programme:

- (i) Subsurface or external drainage of farmland;
- (ii) Improvement of farm tracks.

It is also specified that:

- (1) the area involved should cover at least 1 500 hectares which have already been put to agricultural use;
- (2) total investment should not exceed 1 500 units of account per hectare;
- (3) the projects should ensure that products can be shown to be competitive by economic forecasts;
- (4) they must be backed up by adequate marketing arrangements.

3. Areas of main effort

Assistance from the Fund will be concentrated on areas where present drainage conditions entail major problems for agriculture and substantially restrict the adaptation of agricultural structures.

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PIV

FORESTRY OPERATIONS TO IMPROVE  
AGRICULTURAL STRUCTURES

1. Purpose

In order to improve the competitive capacity and the income of farms, this programme is designed to encourage farmers to abandon the strictly agricultural exploitation of marginal land and to turn this land over to rational use for forestry purposes - together with waste land or tracts of woodland within the boundaries of their farms. The programme is also intended to ensure, by means of appropriate forestry operations, that the productive capacity of agricultural land proper is maintained and improved.

2. Projects financed

1. The programme relates to the following work:

- (a) Afforestation of marginal and waste land;
- (b) Turning copsewoods into standing-timber woods;
- (c) Making up the deficiencies of understocked forests;
- (d) Planting shelter belts in order to maintain or increase the productive capacity of utilizable farmland.

The above-mentioned projects entail operations such as:

- (i) the preparation of the soil;
- (ii) the supply and planting of seeds and young plants;
- (iii) the erection of fences or other forms of protection for young plants and seedlings;
- (iv) maintenance work, including repair planting.

2. If needed, and if connected with the work detailed above, the following operations may also be carried out under the programme:

- (a) Laying down or clearing the way for forest tracks;
- (b) Cutting fire breaks.

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The projects are also subject to the following conditions:

- (i) They must involve areas of at least 200 hectares;
- (ii) Sections for afforestation must be adjacent to other woodland tracts and must be at least 3 hectares in area;
- (iii) At least two thirds of the area concerned must be land belonging to farm businesses or combined forestry/farm businesses;
- (iv) The type of production must be compatible with the long-term forecasts of the Community's timber requirements.
- (v) The timber yield envisaged should be at least equal to that of similar plantations in the same district.

3. Areas of main effort

The programme will most effectively contribute to the raising of farmers' incomes if it is concentrated on areas in which afforestation of large stretches of marginal land is linked to existing forests or forests being planted which are of such a size, type and structure as will provide adequate guarantees that they can be worked economically, as well as in areas where farmers' incomes depend directly upon better protection for their land, especially against erosion.

PV

IMPROVEMENT OF THE MARKETING OF  
FRUIT AND VEGETABLES

1. Purpose

By promoting the adaptation and improvement of fruit and vegetable marketing in the producing areas, this programme is designed to make products bring in a better price, to arrange for supplies to be conveniently spread over long periods and to facilitate trade by ensuring that products are properly graded and identified to meet market requirements so that the distribution systems of the member countries may function more economically.

2. Projects financed

The programme provides for the following projects:

- (a) Marketing centres for fruit or vegetables where prices are decided by public auction at which growers sell directly to wholesalers (the first marketing stage);
- (b) Packing stations for fruit or vegetables (grading according to quality and size, disinfection and packaging);
- (c) Storage centres for fruit or vegetables;
- (d) Establishments for the processing and quick freezing of fruit or vegetables, provided they manufacture products containing at least 80% by weight of fruit or vegetables and are supervised by growers.

When work on these schemes is complete, the quantity of produce handled annually should be at least:

- (i) 3 million units of account (18 000 metric tons of fresh fruit and vegetables) for the marketing centres;
- (ii) 1 million units of account (6 000 metric tons of fresh fruit and vegetables) for the packing centres;
- (iii) 2 million units of account (12 000 metric tons of fresh fruit and vegetables) for the processing plants;

and the capacity of the storage centres should amount at least to 5 000 cubic metres.

3. Areas of main effort

The Community's operations will be concentrated in areas in which fruit and vegetables are either an important crop already or are increasing rapidly and where marketing facilities are most inadequate, particularly when consumer centres are so far away.

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PVI

IMPROVEMENT OF THE STRUCTURE OF THE DAIRY INDUSTRY

1. Purpose

The object of the programme is to promote the rationalization of the dairy industry and thereby increase the profitability of milk production and the competitiveness and income of dairy farmers. This goal is to be reached by measures designed:

- (1) to reduce the cost of collecting milk from farms;
- (2) to reduce the cost of treating and processing milk;
- (3) to improve the quality of dairy products;
- (4) to encourage the division of labour in dairying;
- (5) to rationalize and facilitate sales and distribution.

2. Projects financed

The programme relates to facilities for the following purposes:

- (a) Collection and storage of milk or cream;
- (b) Treatment and processing of milk and cream;
- (c) Maturing and packaging of processed milk products.

The schemes are subject, inter alia, to the following conditions:

- (i) They must relate to areas where climatic conditions, the nature of the soil and the pattern of holdings force farmers to concentrate on dairying;
- (ii) They must relate to areas where production conditions and changes in agricultural structures and techniques are such that output can withstand competition.

3. Areas of main effort

The Fund's financial assistance will be concentrated on regions where farmers cannot go in for other forms of production to increase their incomes and where it is absolutely essential to improve the structure of the dairy industry.

PVII

MEAT

1. Purpose

This programme is intended:

- (a) to encourage the raising and fattening of beef cattle;
- (b) to improve the marketing of live cattle;
- (c) to facilitate the setting-up of a network of establishments to provide rationally sited facilities for cattle slaughtering and meat preparation and marketing at minimum cost.

2. Projects financed

The section of the programme dealing with cattle provides for the following schemes:

- (a) Projects to facilitate cattle-raising ventures more than 60% of the gross income from which (once the operations have been completed) should derive from sales of animals for slaughter, with particular emphasis on investments to improve grazing land and to provide shelter for cattle and fodder; the purchase of animals is excluded;
- (b) Artificial insemination centres for beef breeds or dual-purpose breeds noted for their beef qualities.
- (c) Growth-control and testing centres for beef breeds or dual-purpose breeds noted for their beef qualities.

The programme also contains provisions for cattle markets to handle at least 30 000 head of cattle per annum and be directly accessible to stockbreeders, and for slaughterhouses which, after investments in them have been translated into capital equipment, are to operate at least 200 days a year at an annual output of at least 4 000 metric tons of meat in slaughterhouses or sections of slaughterhouses specializing in pigs, 6 000 tons in those specializing in cattle and 8 000 tons in general slaughterhouses.

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3. Areas of main effort

The main effort is to be brought to bear in areas which, ecologically and economically, are particularly suited to beef production; this bias in favour of stockbreeding is especially justifiable in pastoral regions where beef herds or dual-purpose herds particularly prized for their beef qualities are raised.

With regard to slaughterhouses, account has been taken of the following facts:

- (i) Shipment of meat to a distant centre of consumption is better suited to present market conditions than shipment of live animals there;
- (ii) Slaughterhouses located in the areas where the animals are raised provide a fair return for breeders who, because they can verify on the spot the quality of their meat and the price it fetches, probably receive more realistic offers for the particular qualities they put on the market; such slaughterhouses also facilitate closer contact between farmers and dealers.

Lastly, the fact that the circumstances of producers on hill or mountain farms are often difficult has been taken into consideration; they may be improved, however, if these farmers concentrate on stockraising - usually a suitable line of business in view of the natural conditions in such regions.

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PVIII

WINE PRODUCTS

1. Purpose

The object of the programme is to improve the quality of wine for the market by means of the following operations:

- (a) Improvement of vine varieties and the transfer of the stocks of entire vineyards to more fertile districts;
- (b) Improvement of wine-making and wine storage;
- (c) Elimination of substandard wines and the by-products of vinification which might otherwise be used over again in the making of other wine.

2. Projects financed

The programme covers both the planting of choice vines, to replace grubbed vines, and the provision of facilities for the following purposes:

- (i) Wine production (minimum capacity: 10 000 hl)
- (ii) Storage (minimum capacity: 50 000 hl)
- (iii) Distillation of substandard wines and by-product of wine making.

3. Areas of main effort

The main effort will be brought to bear in areas in which viticulture is an occupation of considerable importance, carried on under favourable ecological and economic conditions, and where it is also particularly necessary both to improve vine varieties or methods of cultivation and to increase wine-making facilities.

PIX

OLIVE GROWING

1. Purpose

The programme has been designed:

- (a) to increase the incomes of olive growers as well as the competitiveness of olive growing by improving the quality of the crops, by reducing costs and by rationalizing marketing;
- (b) to ensure that olive growing, or other agricultural ventures which may replace it to advantage, make a greater contribution to regional economic development.

2. Projects financed

The programme comprises the following projects:

- (i) Regeneration of existing olive orchards;
- (ii) Replanting olive orchards after **all old trees have been uprooted**
- (iii) Improving irrigation and conservation of natural surface water in olive orchards;
- (iv) Acquisition of special machines for olive growing;
- (v) Investment in building, machinery and apparatus for pest control in olive orchards.

The programme also covers other plantations, not including vineyards, to replace olive orchards uprooted because they were no longer profitable.

Lastly, the programme includes schemes for oil mills to process at least 400 metric quintals of olives daily.

3. Areas of main effort

The main effort is to be brought to bear in areas in which olives are a major crop but the conditions of production and the oil mills could be improved and the general economic situation is not entirely satisfactory.

PX

THE DEVELOPMENT OF AGRICULTURAL AREAS THAT  
ARE BACKWARD OR IN DIFFICULTIES

1. Purpose

The programme is designed to improve the conditions of farming enterprises so that they may contribute towards the harmonious development of agricultural areas that are backward or in difficulties. The aim is therefore to improve the agricultural structures of these regions, while making allowances for their individual characteristics and ensuring that the measures for improving agricultural structures will themselves be co-ordinated and will also be aligned with measures adopted outside farming.

2. Projects financed

This programme provides for Community financing of investments included in the other proposed Community programmes and - in such cases - facilitates the financing of investments on a smaller scale better suited to the adverse conditions peculiar to these regions.

It will enable facilities for the training, retraining and further training of persons working in agriculture to be financed.

The grant of aid from the Fund is conditional, however, upon the planned operations being integrated with regional economic development programmes which:

- (a) are based on the results of social and economic studies of the region's current situation and potentialities;
- (b) specify the practical objectives for the medium-term development of the overall economy of the region;
- (c) comprise a coherent range of measures and operations, to be carried out over a period of years, which the public authorities have decided to implement or encourage and for which specific budgetary or financing arrangements or estimates have been scheduled,
- (d) provide for permanent machinery to co-ordinate all the methods and measures to be employed.

3. Areas of main effort

The selected areas, which overlap, are those where the numbers working in agriculture are relatively high and incomes per head or per worker are relatively low.