

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

6505/80 (Presse 50)

631st Council meeting

- Agriculture -

Brussels, 21, 22, 23 and 24 April 1980

President: Mr Giovanni MARCORA
Minister for Agriculture and Forestry
of the Italian Republic

Luxembourg:

Mr Camille NEY

Minister for Agriculture,
Viticulture, Inland Waterways
and Forestry

Netherlands:

Mr Gerrit BRAKS

Minister for Agriculture

United Kingdom:

Mr Peter WALKER

Minister for Agriculture,
Fisheries and Food

Mr Alick BUCHANAN-SMITH

Minister of State,
Ministry of Agriculture,
Fisheries and Food

Commission:

Mr Finn Olav GUNDELACH

Vice-President

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AGRICULTURAL PRICES FOR 1980/1981 AND RELATED MEASURES

The outcome of the Council's discussions on the Commission proposals concerning the fixing of agricultural prices for 1980/1981 and related measures and the proposals relating to changes in the common agricultural policy to help balance the markets and streamline expenditure was as follows:

1. The general principles on which a settlement must be based are as follows:
 - (1) In order that the common agricultural policy can play its full role in the Community, it is essential to recreate a climate of confidence and stability in the policy. In this way Community farmers must be reassured about the continuity and permanence of the policy. It is in this context that the decisions on prices must be seen.
 - (2) If confidence and stability are to be restored, it is also important that certain disciplines must be accepted in order to re-establish a market balance where imbalances now threaten the common policy through their financial consequences.
2. The necessary preconditions, therefore, of any settlement are that confidence should be re-established and maintained in the common policy; that for this purpose there must be some increases in prices; that measures are taken to start the restoration of a better balance in certain markets, in particular for milk, and that the budget constraints are respected.

3. The decisions on prices must take account of producers' incomes, the market balances and the relationship between support prices for different products. It follows that the price decisions must be modulated by product. It should also be recalled that structural policy (on which the Commission has made a series of proposals) is also an essential element in the maintenance and fair distribution of incomes. There was a large majority in favour of a higher level of price increases than proposed by the Commission.

4. The most essential factor for market balances is that for milk there should be both a disincentive for increases in milk production above the level for a reference period and sufficient funds to finance the extra cost of disposal without putting an extra charge on the budget. There is a consensus that under these conditions of surplus production the disposal cost of any additional milk delivered to dairies by comparison with the reference period (Commission assessment: 515 MEUA on base 1979 - 1%; suggestion of certain delegations: 346 MEUA on base 1979) should be the responsibility of producers themselves, which should be implemented by a linear levy, at least at the level of the 1979 decision, plus an additional element. There are still certain differences of view over the form and the arrangements for applying the additional element.

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Some delegations made their agreement to the principle of the producers' responsibility subject to the condition that the burden of marketing additional quantities should be covered by an additional levy on products that are placed in intervention. Other delegations made their agreement conditional on the application of a progressivity element.

5. The Commission emphasized that its proposal was intended to supplement the Council's decision of 1979 on the increase of the basic rate to 1.5%.
6. Action on the budget cost is clearly important in other sectors.
7. The budgetary situation of the Community is also a fundamental factor in the decisions to be taken. The Council referred in this connection to the conclusions reached at the Council meeting on economic and financial questions on 11 February 1980 (¹).

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Pending the forthcoming meeting on agricultural questions due to start on 6 May 1980 in Luxembourg, where the Ministers for Agriculture will conduct their discussions in the light of the conclusions of the European Council, the Council agreed to extend by one month the current marketing year for milk products (i.e. until 31 May) and for beef and veal (i.e. until 1 June). The grant of aid for dried fodder has also extended until 31 May and the basic and withdrawal prices for cauliflowers were fixed for May 1980.

(¹) See press release No 4897/80 (Presse 14) of 11.2.1980
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IMPACT OF THE EUROPEAN MONETARY SYSTEM ON THE CAPITAL

At the close of a discussion focusing on problems relating to the implications of the monetary compensatory amounts for agricultural trade within the Community, the Council agreed to extend the term of validity of the Regulation on the application of the ECU in the capital until 30 June 1980, while aligning the franchise for the variable positive MCAs on that applying to the fixed positive MCAs (i.e. 1 point).

SHEEPMEAT

During a brief discussion the Council took stock of progress in work on the common organization of the market in sheepmeat.

GUARANTEED PRICE FOR ACP SUGAR

The Council formally adopted the decision authorizing the Commission to start the negotiations with the ACP States which are referred to in Protocol No 3 annexed to the ACP-EEC Lomé Convention, and with the Republic of India, on the guaranteed prices applicable to sugar cane during the 1980-1981 delivery period.

STATEMENTS

The Council took note of the following statements, accompanied where appropriate by the Commission's replies and comments by various delegations, on

the situation on the pigmeat market (German delegation)

the problem of exports of Emmenthal cheese to third countries (German delegation)

the problem of the grubbing up of vines in the Gers Department (French delegation)

trends on the market in common wheat (French delegation).

