



European Communities Press and Information

Background Note

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The Commission's latest proposals on farm prices for 1972/73

The Commission now considers that farm prices should be allowed to increase by an average of eight per cent instead of the two to three per cent proposed in June 1971. This is the main point of the new farm proposals the Commission has submitted to the Council of Ministers, which will hold a major meeting on the subject on March 20-21.

Britain and the three other future members are being consulted on the new proposals and their views will be taken into account before a final decision is reached.

The new proposals were made after other Community institutions had expressed the view that farm prices, largely frozen since 1968-69, should now be allowed to move up further. In November 1971 the European Parliament gave its opinion that the rises should average eight per cent. The Economic and Social Committee (representing industry, agriculture, the trade unions, commerce and the professions) had previously declared, in October 1971, in favour of increases of 9.5 to 10.5 per cent. The Community farmers' organization, COPA, wanted increases of 11 to 12 per cent.

The change in the Commission's views follows changes in the economic situation and the attainment of a better balance between supply and demand in the agricultural markets, particularly in the case of milk and dairy products. The average eight-per-cent rise proposed does not signify an across-the-board increase for all products. On the contrary, the increase will vary from product to product according to the situation in the particular market. And in the case of grain and beef, price increases will be spread over the 1972/73 and the 1973/74 seasons. In general, the Commission proposes greater price increases for animal products than for vegetable products. In order to encourage beef production, the Commission proposes in addition a system of premiums and certain facilities for importing young cattle and calves.

The Commission has also modified its proposals on financial aids to certain farmers between the ages of 45 and 55. In appropriate cases, the qualifying age should be reduced to 40, the Commission now thinks.

Proposed new farm prices for the 1972/73 season

Units of account per ton

(Note: a unit of account is equivalent to one United States dollar prior to devaluation, i.e. 2.40 to the pound sterling)

Product	Type of price	Price fixed for the previous year	Prices proposed in June 1971	New proposed price 1972/73	Proposed increase % (1)			Period of application
					Total	When applied		
1	2	3	4	5	6	7	8	9
Durum wheat	Target price	127.50	130.00	132.60	5.0	4.0	1.0	1. 8.72-
	Basic intervention price	119.85	123.00	- (2)	-	-	-	31. 7.73
	Guaranteed price to producers (Wholesale level)	147.90	151.00	153.80	5.0	4.0	1.0	
Soft wheat	Target price	109.44	112.00	113.80	5.0	4.0	1.0	
	Basic intervention price	100.72	103.00	104.20	4.6	3.5	1.1	
Barley	Target price	100.21	103.00	104.50	6.3	4.3	2.0	
	Basic intervention price	92.02	94.00	95.50	6.0	3.8	2.2	
Rye	Target price	100.42	103.00	104.50	6.0	4.0	2.0	
	Basic intervention price	92.82	94.00	95.50	5.0	2.9	2.1	
Maize	Target price	96.90	100.00	101.30	7.5	4.5	3.0	
Rice	Target price	202.00	206.00	211.50	4.7	4.7	-	1. 9.72 - 31. 8.73
Sugar	Minimum price for sugar beet	17.00	17.20	17.50	3.0	3.0	-	1. 7.72 -
	Price for partially subsidized sugar beet	10.00	10.00	10.30	3.0	3.0	-	30. 6.73
	Target price for white sugar	238.00	239.60	244.00	2.6	2.6	-	
	Intervention price for white sugar	226.10	227.60	232.00	2.6	2.6	-	

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					Total	When applied			
1	2	3	4	5	6	7	8	9	
Olive Oil	Target producer price	1187.50	-	1 258.50	6.0	6.0	-	1.11.72	
	Target market price	783.00	-	-	-	-	-	31.10.73	
	Intervention price	710.50	-	-	-	-	-		
Oilseeds	Target price								
	rape seed	202.50	202.50	210.50	4.0	4.0	-	1. 7.72	
	sunflower seed	202.50	202.50	210.50	4.0	4.0	-	30. 6.73	
	Basic intervention price								
	rape seed	196.50	196.50	204.50	4.1	4.1	-		
	sunflower seed	196.50	196.50	204.50	4.1	4.1	-		
Cotton seed	Grant (per hectare)			80.00			-	1. 8.72 31. 7.73	
Flax	Grant (per hectare)								
	flax	110.00	125.00	135.00			-	1. 8.72	
	hemp	80.00	95.00	105.00			-	31. 7.73	
Milk	Target price for milk	109.00	110.20	117.70	8.0	8.0	-		
	Intervention price								
	- butter	1780.00	1780.00	1780.00	0.0	0.0	-	1. 4.72	
	- powdered skim milk	470.00	494.20	565.70	20.4	20.4	-	31. 3.73	
	- cheese								
	Grana-Padano (30-60 days)	1320.50	1350.00	1438.00	8.9	8.9	-		
	(six months)	1566.00	1598.00	1692.00	8.1	8.1	-		

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					Total	When applied		
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Milk	- cheese							
	Parmigiano-Reggiano	1710.00	1742.00	1836.00	7.4	7.4	-	
	Direct aid							
	- skim milk ... powdered	130.00	130.00	130.00			-	
	... liquid	16.50	16.50	11.80			-	
Beef	Guidance price for beef cattle (live weight)	720.00 750.00 (4)	772.50	785.00	13.2	9.0	4.2	3. 4.72 - 1. 4.73
	Guidance price for calves (live weight)	942.50	950.00	965.00	2.4	2.4	-	3. 4.72 - 1. 4.73
Pork	Basic price (pig meat)	800.00	-	825.00	3.1	3.1	-	1.11.72 - 31.10.73
Wine	Guidance price	(3)	(3)	(3)	7.0	7.0	-	1. 6.72 - 31. 5.73
Tobacco	Target price Intervention price	(3)	(3)	(3)	5.0	5.0	-	1. 6.72 - 31. 5.73

- Notes:**
- (1) Rounded figures
 - (2) A new intervention system, similar to that for maize, is already in operation for durum wheat
 - (3) Prices vary, according to quality and type
 - (4) Price fixed for the 1972/73 season