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EUROPEAN PARLIAMENT

# Working Documents

1980 - 1981

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14 April 1980

DOCUMENT 1-73/80

## Second report

drawn up on behalf of the Committee on Agriculture on/sheepmeat

**Rapporteur: Mr. J. PROVAN**

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On 23 October 1979 the President of the European Parliament referred under Rule 25 of the Rules of Procedure the motion for a resolution tabled by Mr Provan on behalf of the European Democratic Group on sheepmeat to the Committee on Agriculture as committee responsible.

On 19-20 November 1979, the Committee on Agriculture appointed Mr Provan rapporteur.

It considered the draft report on 30-31 January 1980, 27-29 February 1980 and 11 March 1980.

On 11 March 1980 the committee adopted the motion for a resolution with 12 votes in favour, 8 against and 6 abstentions.

Present : Sir Henry Plumb, chairman; Mr Früh, vice-chairman; Mr Provan, rapporteur; Miss Brookes (deputizing for Mr Battersby), Mr Buchou, Mr Blaney (deputizing for Mr Skovmand), Mrs Castle, Mr Clinton, Mrs Cresson, Mr Curry, Mr Davern, Mr de Keersmaeker (deputizing for Mr Ligios), Mr Diana, Mr Gautier, Mr Helms, Mrs Herklotz, Mr Howell, Mr Kirk, Mr Jürgens, Mrs Martin (deputizing for Mr Caillavet), Mr Maher, Mr d'Ormesson, Mr Pisani (deputizing for Mr Lyngé), Ms Quin, Mr Tolman, Mr Woltjer

At its plenary sitting of 13 March 1980 the European Parliament referred the report by Mr Provan back to committee pursuant to Rule 26(2) of the Rules of Procedure.

At its meeting of 17 to 19 March 1980 the Committee on Agriculture decided, after hearing the views of the rapporteur, to confirm the report by Mr Provan as adopted at its meeting of 11 March 1980.

Present: Sir Henry Plumb, chairman; Mr Früh, vice-chairman; Mr Provan, rapporteur; Mr Battersby, Mr Blaney (deputizing for Mr Skovmand), Mr Bocklet, Miss Brookes (deputizing for Mr Kirk), Mr Costanzo (deputizing for Mr Diana), Mr Dalsass, Mr De Keersmaeker (deputizing for Mr Tolman), Mr Helms, Mr Key (deputizing for Mr Lyngé), Mr Louwes (deputizing for Mr Caillavet), Mr Mertens (deputizing for Mr Clinton), Mr d'Ormesson, Mr Wettig and Mr Woltjer.

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A

The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on sheepmeat

The European Parliament,

- having regard to the motion for a resolution tabled by Mr PROVAN on behalf of the European Democratic Group (doc. 1-410/79),
- having regard to Articles 12, 30 and 39 of the EEC Treaty,
- having regard to the Decision of the European Court of Justice on 25 September 1979,
- having regard to the need for rational development of the Common Agricultural Policy,
- having regard to the second report of the Committee on Agriculture (Doc. 1-73/80),

I. Legal Implications

1. considers that non-respect by a Member State of a ruling of the Court of Justice of 25 September 1979 prejudices the future cohesion of the Community which, without acceptance of the rule of law, would cease to exist;
2. points out that the Chermasson Judgement of 10 December 1974 provided for national market organizations to be maintained only until the end of the transitional period on 31 December 1977;
3. considers, for these reasons, that the Council of Ministers should take a rapid decision on proposals for a sheepmeat regime;

II. Sheepmeat Regime

4. emphasizes the importance of sheepmeat production for the economy of the less-favoured regions of the Community and for the continued existence of a rural community in these areas where natural conditions are less suitable to other crop and livestock productions, and where there are few alternative types of production available;
5. emphasizes the considerable importance of sheep and goatmeat production to the three countries applying for accession to the EEC;

6. stresses the importance of agreement being reached in the immediate future on a market organization for sheepmeat; and that, during the interim:
  - (a) the French Government be authorized to grant temporary financial aids; and
  - (b) that ceilings on exports within the Community be agreed on by the Member States concerned and a timetable worked out in advance;
  
7. believes that a sheepmeat regime, based on the principles of free trade and financial solidarity, should:
  - (a) recognize the importance of sheepmeat production to certain regions of the Community and the differences in Community production structures;
  - (b) safeguard the incomes and future livelihood of producers throughout the Community, and in particular by:
    - (i) the application of an intervention system for sheep and sheepmeat similar to the intervention arrangement already provided for in the cattle and beef sector.
    - (ii) recognizing the importance of milk and cheese production from sheep and goat herds in certain regions of the Community.
  
8. asks the Commission, in view of the importance of the production of sheep and goat's milk and cheese in certain regions of the Community, notably the Mediterranean, to examine the situation of producers in these areas and propose any measures required to ensure them a fair standard of living;
  
9. considers that special aid measures should be granted, as part of regional development plans, to those producers in areas facing depopulation or serious loss of employment possibilities, within Community guidelines in order to further the ideal of a Community Rural Policy covering regional, social and agricultural aims.
  
10. believes that there will be continued scope for imports from third countries, given that the Community is at present no more than two-thirds self-sufficient in sheepmeat; but considers that such imports should be properly monitored and that agreements be concluded with third countries so as to ensure orderly marketing of agreed fixed quantities of imports at prices which would not depress the Community market, with such agreements being renegotiated from time to time in order to take into account expansion of production in the Community;

11. urges that measures be adopted to improve production and marketing structures, and in particular:
  - (a) measures under the directives on the modernization of farms and on mountain and hill farming and farming in less-favoured areas;
  - (b) measures to improve breeds, grassland techniques and management and equipment; and
  - (c) measures to improve the marketing process and distribution of sheepmeat to stimulate consumption and ensure that producers receive a fair proportion of the final retail price of sheepmeat;
12. instructs its President to forward this resolution and the report of its committee to the Council and Commission.

EXPLANATORY STATEMENTI LEGAL IMPERATIVES

There are two Court Judgements which make it imperative that a common market organization be established.

Firstly, the Charmasson Judgement of 10 December 1974, which provided for national market organizations to be maintained only until the end of the transitional period on 31 December 1977, makes it necessary to adopt common market organizations, or allow unregulated trade, for sheepmeat, ethyl alcohol of agricultural origin, potatoes, honey and bananas, all of which are still subject to national agricultural market organizations.

It would have been possible for the national market organizations to continue provided they did not constitute obstacles to trade in agricultural products within the Community. Since this is not the case, they must be replaced by common organizations.

Secondly, the Court of Justice of the European Communities ruled in September that the French ban on imports of lamb from other Member States is illegal.

Respect for the judgements of the Court is imperative for the continued survival of the Community. The Community has admitted that it has no retaliatory powers to make a national government comply with the law.

The committee recommends that the European Parliament be seen to defend the legal basis of the Community, particularly as the Common Agricultural Policy is the only true policy so far developed by the Community, and increasingly that policy is under attack. Any failure on the part of the European Parliament to defend the integrity of the Community will only encourage those who seek to undermine the Common Agricultural Policy.

The Community is based upon the principle of free trade and non discrimination between producers within the Community in market organizations (Article 40(3)) and in any transitional arrangement (Article 44). These basic principles must be respected in the interests of all Member States.



## II PRODUCTION AND CONSUMPTION

### Regional trends and importance of sheepmeat

1. The vital necessity of the establishment of a common market organization for sheepmeat is emphasized by the very great importance of sheepmeat production to the economic future of some of the more difficult areas to farm in the Community.
2. The Community sheep flock, with 43 million head, has been relatively stable since 1968.

This overall picture masks, however, important regional differences in trends: production has been increasing generally in continental countries, and particularly in France, and declining in the United Kingdom and Ireland.

	<u>EEC sheepmeat production</u>							
	(thousand tonnes)							
	1972	1973	1974	1975	1976	1977	1978	1979
UK	223	233	253	264	249	228	237	230
FR	130	128	133	131	147	145	147	155
ITALY				49	50			
IRL	45	42	44	47	38	37	37	30

3. The regional importance of sheepmeat is of even greater importance than these figures would suggest to the economies of certain regions.

Sheep production in the Community represents only 1.5% of total agricultural revenue. On the other hand, in the United Kingdom and Ireland it represents 5.6% and 4.5% respectively of overall agricultural revenue, as against 2% in France and 0.7% in Italy. Sheepmeat is of great significance to the agricultural development of Greenland.

### Sheepmeat and goatmeat as % of final agricultural production

EC-9	D	F	It	N	B	L	UK	IRL	DK
1.4	0.2	2.1	0.7	0.6	0.1	0.0	4.4	3.0	0.0

### % of farms with sheep

10	4	13	8	13	8	4	32	23	3
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4. More significantly (with the exception of some pasture regions in the north-west of the European continent where sheepmeat production is complementary to milk production) Community sheep rearing is increasingly concentrated in areas where natural conditions are less suitable for other crop and livestock production.

In these regions, sheep rearing is often the main source of farm income.

Two thirds of the sheep in the Community are in the less-favoured areas (28 million out of 43 million).

### III INTRA-COMMUNITY TRADE AND NATIONAL PRICES

5. The justification given for the refusal on the part of one Member State to implement the judgement of the Court of Justice is that free trade in the Community would lead to a fall in prices threatening the future livelihood of producers.

Account must be taken of these fears and suitable mechanism introduced to ensure that producers' livelihoods are assured. In reality when the situation is examined, these fears are not justified as they threaten the future existence of the Community and other ways can be found of assisting producers.

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6. There are reasons why free trade will not lead to a sudden collapse in prices in any particular region of the Community:

(a) Intra-Community trade is of long standing

While it is true that intra-Community trade is increasing, having gone from 60,000 tonnes in 1973 to 82,000 in 1976, the bulk of this trade consists of a long-standing flow of 40 to 50,000 tonnes to France, mainly from the United Kingdom, the Netherlands, Germany and Ireland (16,000, 15,600, 9,500 and 1,200 tonnes respectively in 1976).

British sheepmeat exports to France, of which approximately half come from Scotland, have been decreasing, rather than increasing in recent years:

	'000 tonnes						
	1973	1974	1975	1976	1977	1978	Jan- July 1979
United Kingdom exports:	26.4	27.0	33.7	33.0	44.6	41.4	24.6
of which to France	21.8	20.6	25.8	15.6	19.3	10.2	4.0
Belgium/Luxembourg	2.1	1.7	2.4	6.7	10.3	13.7	8.3
Germany	1.0	1.7	2.6	5.5	9.3	11.3	7.7
Irish Republic exports:	11.1	11.0	11.6	8.0	5.3	15.2	6.6
of which to France	3.6	3.6	3.1	1.3	1.6	14.6	6.5

(b) Self-sufficiency is low

Self-sufficiency in all Community countries, apart from the Irish Republic and the Netherlands is low. Imports are essential, therefore, to ensure an orderly market capable of maintaining consumption.

	%
	<u>Self-Sufficiency</u>
West Germany	42.4
France	72.8
Italy	58.2
Netherlands	360.0
Belgium & Luxembourg	20.0
United Kingdom	58.8
Irish Republic	133.3
Denmark	-
Nine	65.1

(c) Differences in sheepmeat produced

Production systems under which sheepmeat is produced vary enormously from country to country. This limits the impact of free trade on national markets and prices.

For example, ten per cent of the flocks are for producing milk, rather than meat.

In Ireland mutton is produced as the main product, with lamb as a subsidiary export produced for the British market.

In the United Kingdom animals marketed in the Spring are slaughtered very young (3 to 4 months). They are significantly different to and fetch much higher prices than those marketed in the Summer or Autumn, which although not markedly heavier, are older and generally fatter (4 to 9 months), and which are in less demand on the French market.

In France, sheep are raised:

- for wool;
- for high quality lamb of a particular type demanded in France, and of which there exists particular types of lamb such as that produced in the Cote D'Azur and Provence, which because of the pastures is strongly flavoured;
- for milk, used largely for Roquefort cheese.

The specialized nature of much French production limits the impact of future Community arrangements on producers.

In Italy, milk production is the dominant characteristic of sheep farming. Some 5 million ewes are milked in Italy, representing over 60% of the flock. Almost all the milk is transformed into cheese such as Pecorino. Just as with cattle, milk is a more intensive form of production giving reasonable incomes with relatively small flocks. Considerable improvements have been made, such as artificial semination, balanced feeding rations and mechanical milking; to improve yields which have risen from 80-100 litres to over 200.

In the United Kingdom, there are strong seasonal limitations on export availabilities.

In France, Germany and the Benelux countries, quality is more uniform despite certain specific regional production system features and seasonal variations in market prices are consequently slight.

(d) Two markets - the British and the French

As a result of these differences in production systems, there exist two relatively separate markets within the Community in terms of type of production, final product and market prices; one is dominated by the British market and the other by French production.

The British market has a direct influence on price levels on the Irish market, while the French market determines the level of prices obtained by producers in those Member States, the Netherlands, Germany, Belgium and, to a lesser extent, Italy, producing a similar product to the French.

Structural change

Structural change has a significant impact on income as flocks become larger and the number of small holdings decline. In all countries except Germany, where part-time holdings are common, the trend towards larger holdings is clear.

	<u>1970-1975, sheep, % change land use</u>									
	<u>EC</u>	<u>D</u>	<u>F</u>	<u>It</u>	<u>Neth</u>	<u>Bel</u>	<u>Lux</u>	<u>UK</u>	<u>IRL</u>	<u>DK</u>
Holdings	-1	5	-1	-1	2	-0	-2	-2	x	-4
Animals	1	-1	2	2	6	0	0	1	x	1

Sheepmeat prices in the Community coming closer together

7. Community sheepmeat prices are determined primarily by the United Kingdom and French markets. Since 1968, prices on the British market had been 50 per cent lower than those on the French market. However, since 1976 British market prices have risen considerably by 13.4 per cent and Irish market prices by 22.5 per cent, compared with an increase of only 5.4 per cent on the French market in 1976 alone. This has brought the difference in price between the two major markets down to less than 40 per cent. None the less, the difference will still create problems for the creation of a single market.

	<u>MARKET PRICES FOR SHEEPMEAT</u> (ECU/kg)	
	<u>1977</u>	<u>1978</u>
D	2,483	2,704
Fr	3,785	3,717
It	3,626	3,292
Neth.	3,190	3,269
Bel.	3,106	3,148
UK	2,722	2,676
IRL	2,040	3,146
DK	2,533	2,407

% OF FARMS WITH:  
LESS THAN 80%, 80-120%, MORE THAN 120%,

	<u>OF COMPARABLE INCOME</u>		
	<u>≤ 80%</u>	<u>80-120%</u>	<u>&gt; 120%</u>
Cattle, sheep, goats	52.9	22.8	24.3
Cattle	49.3	22.7	28.0
Sheep, goats	15.9	18.2	45.9

IV TRADE WITH THIRD COUNTRIES AND CONSUMPTION

8. The Community's degree of self-sufficiency is increasing (59.4 per cent in 1973 and 66 per cent in 1979) as a result of decreases in consumption and not as a result of increased production and reduced imports.

The Commission has stated that for 1980 the self-supply rate in the Community for sheepmeat will be about 67 per cent, which presupposes import requirements of about 260,000 tonnes in the year.

Imports (81.4 per cent of which coming from New Zealand, with 81 per cent of the total going to the United Kingdom) are tending to fall (exports, 6,000 tonnes, remain negligible).

Trade in mutton and lamb by EEC countries and principal overseas countries  
( '000 tonnes, fresh, chilled and frozen, including goatmeat)

	1972	1973	1974	1975	1976	1977	1978	1979
<u>EEC countries</u>								
Imports	398	347	283	339	320	323	339	330
of which by								
UK	331	266	213	244	226	219	226	220
France	39	47	44	52	42	46	47	42

UK imports of mutton and lamb ('000 tonnes)

	Mutton			Lamb		
	Australia	New Zealand	Other	Australia	New Zealand	Other
1974	3.1	3.9	0.4	4.4	199.6	0.9
1975	4.9	5.5	0.4	2.7	228.6	0.3
1976	10.6	13.1	0.1	1.1	200.7	0.1
1977	3.1	5.5	0.1	1.5	207.7	0.1
1978	3.9	15.1	0.1	7.7	198.9	0.1

Argentine exports of sheepmeat ('000 tonnes)

	West					Total World
	Germany	France	Italy	Benelux	EEC	
1977	12.5	1.2	1.0	0.6	15.3	28.4
1978	9.5	0.1	1.3	0.1	11.1	24.0

9. Maintaining existing trade in sheepmeat should not present problems once political considerations are left aside. One-third of the Community's consumption requirements are met by imports, and cannot be satisfied by internal production.

The Community needs this production. New Zealand is particularly dependent on its economic survival for their exports. The New Zealand product, frozen lamb of a reasonable price and of type developed to suit the British taste, is a different product to the fresh lamb traded within the Community. To prevent its entry would simply lead to a decrease in

consumption in the United Kingdom and would not influence intra-Community trade patterns.

The Community needs to import New Zealand lamb; New Zealand wishes to export the lamb. The question remaining is how to organize the trade. The most appropriate manner would be to negotiate an agreement with New Zealand by which orderly marketing would be assured and New Zealand would agree not to increase its exports above present levels.

10. Both the Council and Commission have rejected calls for deconsolidation of the 20 per cent duty on sheepmeat bound in GATT. The cost of negotiating such a charge would be excessive to the Community.

The Commission emphasizes that the introduction of a levy system on imports would mean that the 20 per cent duty on meat bound under GATT would have to be unbound; the value of these imports in trade terms may be estimated at \$300 million. If the 20 per cent duty were unbound, the Community would have to offer countervailing advantages to the non-member countries concerned. The Commission is not aware of a product that would be suitable for such a deal and prefers to negotiate voluntary restraint agreements with third countries.

Moreover such a move would place at risk Community trade with New Zealand, the balance being significantly in favour of the Community, as well as negotiations by Member States to exploit New Zealand's fisheries and coal resources.

11. The main question is not one of imports but of increasing consumption in the Community. And it should be pointed out that New Zealand lamb has helped to maintain a high level of consumption in the United Kingdom to the benefit of British and Irish producers. If lamb were to become a luxury dish and the habit of consuming lamb were to be lost, all producers in the Community would suffer as U.K. export availabilities increased.

12. Apart from imports of meat, live animals, intended for fattening are imported from third countries, particularly into France:

<u>French imports of live sheep</u>		
origin	1977	1978
		(by head)
G.D.R.	37.452	42,762
Poland	46.387	75,261
Hungary	102.996	32,376
Rumania	11.276	16,491
Bulgaria	-	64,647
Total	198.111	231,637

The importance of encouraging consumption

13. Given the low level of self-sufficiency of sheepmeat in the Community and the stable level of imports, the most important single factor that will influence future prices and producers' incomes in the Community is the level of consumption of sheepmeat.

14. Consumption, on average has remained fairly stable (750,000 tonnes per year), though with a sharp fall in the United Kingdom (-29 per cent) between 1972 and 1979 following an increase in market prices, and a steep rise in Germany (+156 per cent) and France (+ 19 per cent<sup>1</sup>)

EEC sheepmeat consumption ('000 tonnes deadweight)

	<u>1972</u>	<u>1979</u>
UK	531	380
France	173	205
Italy	61	60
Ireland	34	25
Germany	18	50

Consumption per head is approximately 3 kg per year, but varies considerably from country to country:

Ireland	9.- kg
United Kingdom	8.- kg
France	4.- kg
Belgium-Luxembourg	1.3 kg
Italy	1.- kg
Germany	1.- kg
Denmark	0.4 kg
Netherlands	0.2 kg
COMMUNITY AVERAGE	3.- kg

15. Two conclusions can be drawn from these figures:

- the high level of consumption in the United Kingdom is the result of the creation of a mass market for lamb which is dependent on imports of cheaper qualities from New Zealand;
- any interference with this mass market by a sudden increase in prices or reduction in imports would so interfere with eating habits that the drop in consumption would lead to pressure on all markets in the Community, since British export availabilities would increase significantly.

<sup>1</sup> +67 per cent since 1962



16. Producer incomes can be most effectively increased by encouraging consumption. Coordinated marketing campaigns should be developed by the Community as an immediate priority.

Agricultural research programmes

17. A further measure to help improve incomes of sheepmeat producers would be for the Community to help producers to improve their production methods, and in particular by intensifying production.

This can be achieved by:

- (a) improving grassland techniques and benefit in saving of concentrates
- (b) introducing new sheep handling equipment and other fixed equipment
- (c) increasing the numbers of lambs produced, by better management and elimination of disease
- (d) improving breeds.

The Commission should draw up proposals to include research on sheepmeat production within the Community's agricultural research programmes.

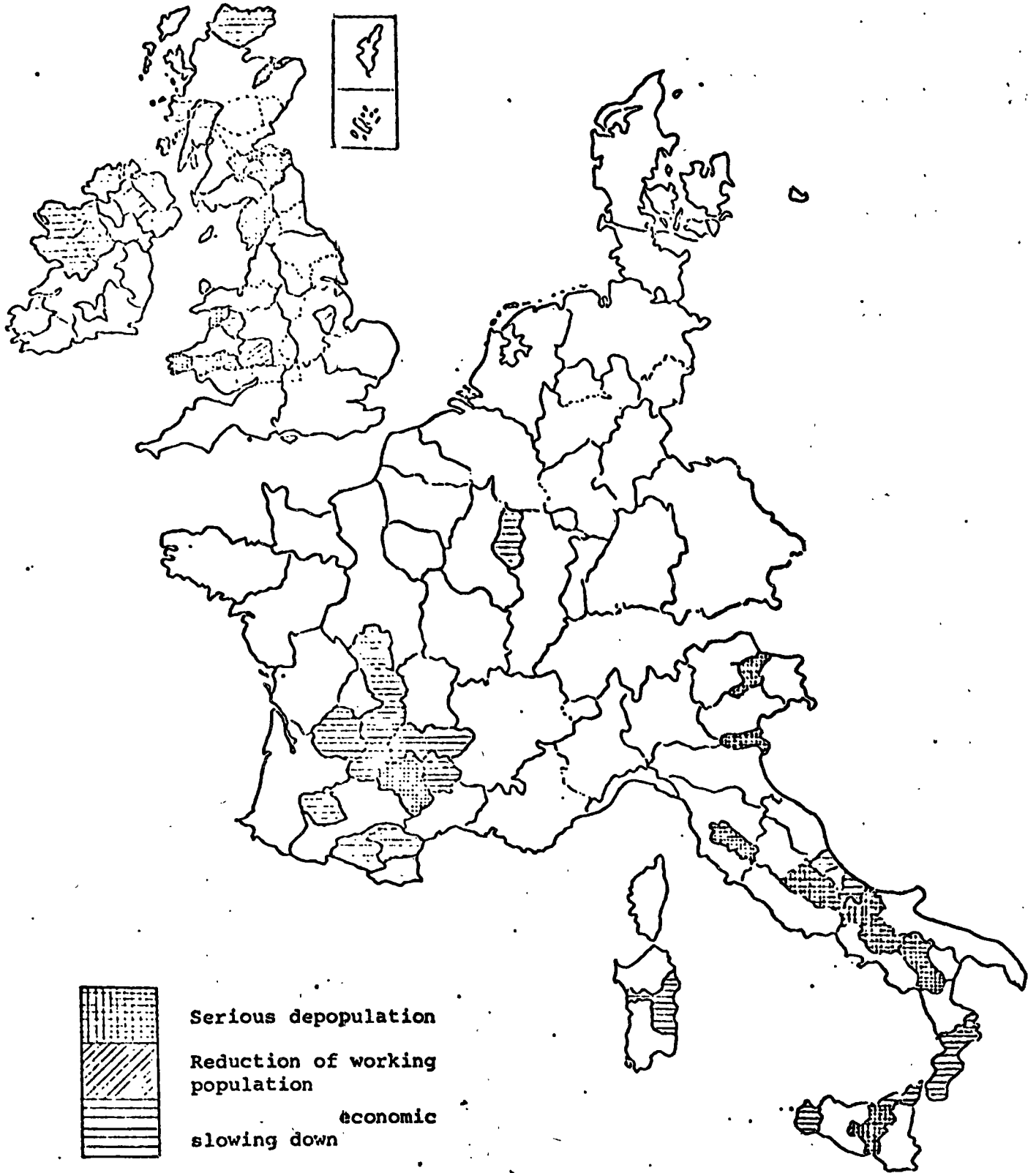
V. DEVELOPMENT PROGRAMMES FOR DECLINING REGIONS

18. As the following map shows, much of sheepmeat production is in regions facing depopulation and serious economic problems.

The Community has failed these regions so far. Divergences between the richer and the poorer regions grow each year. Simple market mechanisms or structural measures proposed in the past by the Commission will not be sufficient to overcome the serious geographical, economic and social handicaps facing these regions.

19. Measures cannot be limited purely to the agricultural sector. The economic and social infrastructure must be improved. Integrated regional development plans, tailored to the needs of the particular region, and coordinating the actions of the Agricultural, Regional and Social Funds are required. The Commission, in drawing up reports, should approach the problems of these regions with a great deal more imagination, and coordination of the work of its different Directorates, than it has in the past.

REGIONAL POPULATION AND ECONOMIC TRENDS



## VI. THE POSSIBLE COST OF A MARKET ORGANIZATION

The cost would depend, of course, on the exact outcome of the market organization introduced.

### (a) Cost of a premium system

The Commission has estimated that a premium system intended to maintain producers' incomes at present level, would cost a total of 106 million ECU per annum on the basis of a 12% fall in French prices and an increase in UK prices of 8%.

In the event of a crisis, that is an oversupplied market and a slump in consumer prices, French prices could fall by 16% and UK price rise by only 4%. This would result in a 35 million ECU increase in the total EAGGF costs.

The cost of supporting incomes has been put even higher by other sources. On the basis of a reference price of 350 ECUs/100 kg the forecasted price drop to 292 ECUs/100 kg arising from the introduction of free trade would mean payments in the first year of 150 million ECU for the Community.

### (b) Cost of an intervention system

The cost of an intervention system would be correspondingly higher. This is particularly so as the guarantees offered would encourage more producers to begin sheepmeat production. So, paradoxically, additional market support would lead to greater downward pressure on prices, particularly as consumption on the main market, the United Kingdom, would slump.

### (c) Cost of unbinding the 20% GATT duty

The Commission has stated that the introduction of a levy system on imports would mean that the 20% duty on meat bound under GATT would have to be unbound; the value of these imports in trade terms may be estimated at \$300 million. If the 20% duty were unbound, the Community would have to offer countervailing advantages to the non-member countries concerned. The Commission is not aware of a product that would be suitable for such a deal and prefers to negotiate voluntary restraint agreements with third countries.

## VII. THE SITUATION ON THE MARKET IN SHEEPMET IN RELATION TO ENLARGEMENT

### (a) General

20. The applicant countries (Spain, Greece and Portugal), which have sheep numbers amounting to more than half the Community flock, have a production level of less than one third of that of the Community, owing to the fact that the average weight of slaughtered sheep in those countries is well below the Community level.

For a long time now (1960/1978), flock numbers have been falling steadily in Spain and Portugal. In Spain, however, production has remained relatively stable as a result of increase in carcase weight. In Greece numbers fell initially until 1970, but there has since been a steady increase.

21. Comparison of the basic economic data relating to the sheepmeat sector in the Community and in the applicant countries suggests, in the Commission's view, that the accession of the latter would not substantially disturb the balance of the Community market. On the basis of data for 1976, the Community deficit would remain practically unchanged (296,000 instead of 278,000 tonnes) and the level of self-sufficiency would increase slightly from 64% to 71%.

However, it should be noted that in Spain and Portugal the level of market prices is higher than the Community average. Of the applicant countries, only Greece has market prices close to those of the Community. It cannot, therefore be asserted that the accession of these three countries would not influence the Community market in sheepmeat in its present form.

22. Goatmeat production plays a significant role in the agricultural economies of the applicant countries, in particular Greece, where production is increasing rapidly, and Spain (4.6 and 2.2 million head respectively).

Goatmeat production in these three countries amounts to 54,600 tonnes per year, broken down as follows:

Greece	:	39,000 tonnes
Spain	:	12,000 tonnes
Portugal	:	3,600 tonnes

These three countries import only very small amounts of goatmeat. In Greece, goatmeat consumption, at 4.3 kg. per head per annum accounts for 7% of total meat consumption.

### (b) National measures regulating the sheepmeat market in the applicant countries

23. None of the three applicant countries has introduced a true national organization of the market in the sheepmeat sector; however, all have adopted government measures designed to influence production and consumption.

(1) Spain

Contrary to the beef and veal and pigmeat sectors, price guarantees or intervention measures do not apply to this sheep sector; provision is made only for measures to guide production with a premium of a maximum of 12 pesetas per kg live weight (0.12 u.a./kg), granted for lambs which exceed a certain weight on slaughter and paid to producers who have signed an agreement with the FORPA (Fund for the Guidance and Control of Agricultural Products). In addition, the slaughter of sheep of a carcass weight of less than 5 kg is prohibited. Imports of products of this sector are strictly controlled in terms of market requirements.

(2) Greece

Market prices are regulated by means of import licences for the products of the sector, the issue of which is suspended during the periods of the year when the market is saturated. Since 1 January 1974, imports of fresh meat have been prohibited. In practice there is no authorization to export products of this sector.

Moreover, direct aids are granted to producers in very varied forms, for example for the purpose of improving sheep holdings, purchasing breeding sires or helping less-favoured areas. Such aid represented 10% value of production in 1975 and in 1976.

The slaughter of sheep weighing less than 8.5 kg per carcass is prohibited and since April 1975 there has been no control of wholesale and retail prices and no fixing of maximum authorized margins.

(3) Portugal

Unlike the beef and veal sector, which is assisted by a system of guaranteed prices and direct aid equivalent to deficiency payments, sheepmeat does not in principle benefit from any mechanism to support production. On the other hand, direct intervention in the market is possible in the event of excess production.

Maximum retail selling prices are, however, fixed for various qualities by the 'Junta nacional dos Productos Pecuários' (National Junta for Livestock Products), whereby distribution margins can be fixed freely and the National Junta has a monopoly on imports.

24. It will therefore be clear that the market in sheepmeat in the three applicant countries differs significantly from the existing Community market. This is not likely to facilitate harmonization.

Following these general observations, the common organization of the market in sheepmeat as proposed by the Commission will now be considered.

LAND USE AND LIVESTOCK 1975

ANNEX I

	<u>Over 100 ha SAU %</u>				<u>Head/100 ha UAA</u>		
	<u>Arable</u>	<u>Perm.</u>		<u>Forest</u>	<u>Bovine</u>	<u>Sheep</u>	<u>Pigs</u>
		<u>Crops</u>	<u>Pastures</u>				
EC-9	52	6	42	10	90	60	74
Germany	59	1	40	13	116	8	156
France	57	3	38	8	80	38	36
- Provence Côte d'Azur	37	28	35	26	10	137	25
- Limousin	38	5	61	17	89	117	24
- Poitou-Ch.	69	7	4	7	65	82	19
- Midi-Pyr.	61	5	33	15	60	82	32
- Aquitaine	56	11	33	29	66	53	32
Italy	52	19	29	23	54	45	51
- Sardegna	21	19	8	7	16	140	17
- Abruzzi	48	13	39	32	33	71	26
- Basilicata	61	9	30	16	15	70	20
- Lazio	51	22	27	27	39	64	19
- Molise	73	8	19	19	25	54	19
- Umbria	65	15	20	47	51	54	138
- Toscana	56	26	18	54	25	53	64
Netherlands	39	2	59	2	237	36	349
Belgium	51	1	48	1	203	8	315
Luxembourg	45	1	54	11	166	4	60
United Kingdom	42	0	57	1	92	169	45
- Wales	19	0	81	1	106	470	9
- Northern	35	0	65	1	106	273	30
- W. Midlands	49	1	50	1	131	187	44
- Scotland	23	0	77	1	56	149	10
- S. Western	43	0	57	1	141	153	50
- Yorks/Lancs	50	0	50	1	93	144	106
- S. Eastern	63	3	34	4	94	104	64
- E. Midlands	71	0	29	1	74	103	59
- N. Ireland	35	0	64	1	163	90	56
Ireland	19	0	81	1	141	74	17
Denmark	90	0	10	6	103	2	249

MOTION FOR A RESOLUTION

tabled by Mr PROVAN  
on behalf of the European Democratic Group  
with request for urgent debate  
pursuant to Rule 14 of the Rules of Procedure  
on sheepmeat (doc. 1-410/79)

The European Parliament,

- having regard to Articles 12, 30 and 39 of the EEC Treaty,
  - having regard to the Decision of the European Court of Justice (Tuesday, 25 September 1979),
  - having regard to the need for rational development of the Common Agricultural Policy,
1. Calls of the French Government to respect the ruling of the Court of Justice within the time limits laid down by the Council of Agriculture Ministers;
  2. Points to the grave implications for the whole Community if Court decisions are not implemented promptly;
  3. Calls for the early adoption of a sheepmeat regime which will take fair account of the legitimate interests and needs of producers and consumers in all Member States;
  4. Recognizes the very difficult position faced by French sheepmeat producers, and believes that the French Government should be authorized to introduce financial aids pending the introduction of an agreed Community regime;
  5. Instructs its President to forward this resolution to the Council and Commission.

JUSTIFICATION

The request for urgent debate is justified by the need to respect Artic. of the EEC Treaty.

