

DEUTSCHER  
BAUERNVERBAND E.V.

DER PRÄSIDENT

Bad Godesberg  
Andreas-Hermes-Haus  
Godesberger Allee 142-148  
Postfach 20 09 28  
5300 BONN 2  
Telefon (02 28) 376955  
Telex 885586

FARMERS AND FARM-POLICY IN EUROPE

BY CONSTANTIN FREIHERR HEEREMAN VON ZUYDTWYCK,  
PRESIDENT OF THE "GERMAN FARMERS' FEDERATION"  
(DEUTSCHER BAUERNVERBAND E.V.)

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## BEGRÜSSUNG

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- I AM VERY GLAD TO HAVE THE POSSIBILITY TO TALK TO YOU, TODAY
- AS A FARMER, WHO FARMS ABOUT 250 ACRES HIMSELF,
  - AS PRESIDENT OF THE "GERMAN FARMERS' FEDERATION" WHICH HAS NEARLY ONE MILLION MEMBERS,
  - AS MEMBER OF THE GERMAN PARLIAMENT (BUNDESTAG) SINCE LAST SPRING,
  - AS A CONVINCED EUROPEAN

MANY TIMES I HAVE HEARD THE BAD WORD "TRADE-WAR" DURING THE LAST MONTHS.

I THINK THAT RESPONSIBLE POLITICIANS SHOULD NOT USE THIS WORD.

WE GERMANS DO KNOW WHAT IS WAR BETWEEN OUR COUNTRY AND THE UNITED STATES.

THIS TIME HAS PASSED !

TODAY WE HAVE SOME ECONOMIC PROBLEMS AND THEY CAN AND MUST BE SOLVED.

### 1. EFFICIENCY AND STRUCTURAL DEVELOPMENT

MANY TIMES I HAVE HEARD FROM AMERICAN POLITICIANS AND VISITORS THAT EC-FARMERS ARE INEFFICIENT.

THAT IS NOT THE CASE.

SINCE THE WAR, A REVOLUTION HAS TAKEN PLACE IN THE FARM SECTOR OF ALL EC-COUNTRIES.

TECHNICAL PROGRESS HAS ENTERED AGRICULTURE AND HAS BEEN EAGERLY ACCEPTED BY FARMERS AND THEIR FAMILIES.

IN MY COUNTRY AGRICULTURE WAS A REFUGE FOR MILLIONS OF PEOPLE WITHOUT FOOD AND WORK AFTER THE WAR.

FARM LABOUR IN THESE DAYS WAS ABUNDANT - TODAY IT NO LONGER IS !

SINCE THE EEC WAS FOUNDED AT THE END OF THE 1950's, THE FARM POPULATION HAS MORE THAN HALVED - FROM 17 MILLION TO LESS THAN 8 MILLION.

THIS DECREASE IN THE NUMBER OF PEOPLE EMPLOYED IN AGRICULTURE HAS BEEN ACCOMPANIED BY AN INCREASE IN THE SIZE OF *farms* AND BY IMPROVED PRODUCTION METHODS AND YIELDS.

THIS HAS LED AGAIN TO A CONTINUING INCREASE IN PRODUCTIVITY, WHICH IN ITSELF HAD A CONSIDERABLE IMPACT ON THE EC'S LEVEL OF AGRICULTURAL SELFSUFFICIENCY.

I AM CONVINCED THAT USE OF TECHNICAL PROGRESS IN GERMANY HAS REACHED THE SAME LEVEL AS IN THE UNITED STATES TODAY.

YOU WOULD NOT SEE A GREAT DIFFERENCE BETWEEN A MODERN DAIRY-,  
PIG-, OR POULTRY-FARM IN EUROPE OR THE UNITED STATES.

THERE IS ONLY ONE EXCEPTION.

COMPARED TO THE UNITED STATES, WE ARE LIVING IN A RELATIVELY  
CROWDED AREA OF THE WORLD AND THIS HAS NOT CHANGED SINCE THE  
ROMANS CAME 2 THOUSAND YEARS AGO.

IN THE EC, A POPULATION OF 270 MILLION HAS TO LIVE FROM A  
250 MILLION ACRES OF AGRICULTURAL LAND, WHEREAS IN  
THE UNITED STATES 220 MILLION PEOPLE LIVE FROM MORE THAN 1000 *million*  
ACRES OF AGRICULTURAL LAND.

OWNERSHIP OF LAND, FARM-STRUCTURE AND VILLAGES ARE SHAPED BY  
LONG HISTORICAL DEVELOPMENTS.

IN EUROPE RAPID CHANGES OR EVEN FAR-REACHING REFORMS - AS THEY  
HAVE TAKEN PLACE IN THE COMMUNIST PART OF MY COUNTRY - ARE  
IRRECONCILABLE WITH A DEMOCRATIC STATE.

NEVERTHELESS, THINGS WILL CHANGE AND HAVE CHANGED IN THE PAST.

ONLY EFFICIENTLY ?

I THINK WE HAVE TO SEE MORE THAN ONLY THE ASPECT OF EFFICIENCY  
IN EUROPE.

FIRST OF ALL THE STRUCTURAL CHANGE IN EUROPE'S AGRICULTURE HAS HAPPENED WITHOUT A SHARP DEPOPULATION OF THE RURAL AREAS AND WITHOUT A MIGRATION OF TOO MANY PEOPLE INTO THE CITIES.

THE RESHAPING OF THE STRUCTURE OF OUR FARMS HAS TAKEN PLACE WITHOUT DRAMATIC CHANGES IN THE LANDSCAPE.

I AM CONVINCED THAT EUROPE'S LANDSCAPE IS WELL KEPT BY EUROPE'S FARMERS.

RESPONSIBLE FARMING IS THE GUARD FOR A PLEASANT LANDSCAPE AND A GOOD ENVIRONMENT.

## 2. THE SOLUTION OF THE PROBLEMS

AS I POINTED OUT IN MY INTRODUCTION, WE HAVE SOME ECONOMIC PROBLEMS BETWEEN THE US AND THE EC.

WE MUST FIND SOLUTIONS TO IT.

WE CAN'T LEAVE THIS JOB ONLY TO POLITICIANS.

SINCE I WAS ELECTED PRESIDENT OF MY ORGANIZATION IN 1969, I HAVE BEEN THREE TIMES IN THE US TO MEET POLITICIANS BUT ALSO MY FRIENDS OF THE US-FARM-ORGANIZATIONS.

WE HAD MEETINGS WITH THE COMMODITY GROUPS AS WELL AS WITH THE GENERAL FARM ORGANIZATIONS.

I ESPECIALLY WANT TO MENTION PRESIDENT DELANO OF THE AMERICAN FARM BUREAU FEDERATION AND PRESIDENT STONE OF THE NATIONAL FARMER'S UNION.

WITH BOTH OF THEM WE HAVE VERY FRIENDLY RELATIONS.

LET ME NOW TRY TO IDENTIFY THE PROBLEMS AND THE SOLUTIONS WHICH WE NEED SO URGENTLY.

KEEP THE GATT GOING!

OUR FIRST COMMON AIM SHOULD BE TO KEEP THE GATT GOING, NOT ONLY NOW, BUT ALSO IN THE FUTURE !

GATT IS ONE OF THE FEW INTERNATIONAL INSTITUTIONS WHICH IS WORKING WITHOUT A BIG BUREAUCRACY.

THERE IS A LOT OF PRESSURE FROM THE DEVELOPING COUNTRIES TO BLOW UP GATT AND, BY THIS, TO BRING ABOUT ALL THE GREAT PROBLEMS WE HAVE IN OTHER INTERNATIONAL AGENCIES, WHERE THE MAJORITIES ARE DIFFERENT.

THIS WOULD NOT HELP NEITHER THE EC NOR THE US.

GATT HAS RECOGNIZED THE BASIC RULES OF EC FARM-POLICY TO BE IN LINE WITH GATT-RULES.

WE WERE VERY GLAD IN EUROPE THAT AFTER THE LAST TOKYO-ROUND, THE US TRADE REPRESENTATIVE, AMBASSADOR STRAUSS, HAD ALSO DRAWN A LINE UNDER THE DISCUSSIONS ABOUT EXPORT-RESTITUTIONS.

I DO NOT THINK THAT IT BRINGS US ANY FURTHER TO ACCUSE EACH OTHER IN GATT.

THE US HAVE BROUGHT SOME COMPLAINTS AGAINST THE EC TO GATT.

THE ATTITUDE OF THE EC HAS BEEN CLEAR SINCE THE BEGINNING: IN CASE OF A RULING AGAINST US, WE WOULD HAVE TO CHANGE OUR POLICY ACCORDINGLY. THE SAME, OF COURSE, WE EXPECT FROM THE US. IT IS, HOWEVER, CERTAINLY NOT IN LINE WITH GATT THAT THE AMERICANS

SOLD 1 MILLION TONS OF FLOUR TO EGYPT THIS SPRING AT A PRICE 20 TO 30 DOLLARS BELOW NORMAL PRICES. THIS SPECTACULAR ACT WAS VIOLATING SO OBVIOUSLY THE EXISTING RULES OF THE "EQUITABLE SHARE OF THE WORLD MARKET" THAT TWO OR THREE OTHER SIMILAR CASES COULD TURN EUROPEANS AGAINST GATT.

2.2. GET THE MARKETS BETTER BALANCED !

OUR NEXT COMMON TASK SHOULD BE TO DO A BETTER JOB IN ORGANISING WORLD-MARKETS.

BETTER ORGANISING FOR ME MEANS AT LEAST A BETTER INFORMATION ABOUT PRODUCTION AND TRADE AND PRICES.

IT MEANS FOR ME AGREEMENTS ON STORAGE QUANTITIES AND ON QUANTITIES OF EXPORTS AND IMPORTS.

CERTAINLY, WE CAN EVEN DO MORE BUT WE MUST BE REALISTIC.

AND WE HAVE FINE EXAMPLES OF COOPERATION BETWEEN THE US AND EC IN THIS FIELD.

LET ME ONLY TAKE THE LAST TOKYO-ROUND.

IT WAS AMBASSADOR McDONALD WHO TOLD US IN MAY 1979 THAT, THANKS TO COMMON EFFORTS, EC AND US HAD REACHED MORE STABILITY IN SUPPLY AND DEMAND / AND MORE SECURITY FOR THE WORLD FOOD-SITUATION, AFTER.

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BOTH SIDES HAD CLOSELY COOPERATED TO REACH A WORLD GRAIN -  
AGREEMENT.

ITS FAILURE WAS NEITHER THE FAULT OF EC NOR THE FAULT OF US.

BOTH SIDES HAD REACHED A BETTER INTERNATIONAL COOPERATION ON THE  
MARKETS FOR DAIRY PRODUCTS AND MEAT, AND THERE ARE OTHER EXAMPLES  
IN WHICH THE US HAVE SHOWN WILLINGNESS TO COOPERATE IN THE  
INTERNATIONAL FIELD.

LAST YEAR 100,000 TONS OF US BUTTER HAD NOT BEEN DUMPED  
ON THE WORLD-MARKET BUT SOLD TO THE NEW ZEALANDERS WHO TOOK  
CARE FOR ORDERLY MARKETING.

BUT WE CANNOT STOP HERE.

MANY EUROPEAN FARMERS THINK THAT WE NEED SOME KIND OF PRO-  
DUCTION CONTROLL IN THE FUTURE.

YOU MAY KNOW THAT THE EC-COUNCIL HAS FORCED EC-FARMERS

- TO NARROW THE GAP BETWEEN OUR PRICES AND WORLD-PRICES.

- TO PAY SOME OR ALL COSTS OF DISPOSING OF PRODUCTION BEYOND CERTAIN THRESHOLDS (RAPESEED, GRAINS, MILK, SUGAR).

IN MY OPINION THIS IS A PROGRAM WHICH WILL ONLY GENERATE PRESSURE ON FARMERS WITHOUT HAVING ANY IMPACT ON THE PRODUCTION ITSELF.

MY ORGANIZATION IS DEFENDING A QUOTA-SYSTEM FOR THE DAIRY-SECTOR WHICH WOULD GET IMMEDIATE CONTROL OF PRODUCTION.

THE BASIS WOULD BE A QUOTA FOR INDIVIDUAL FARMS.

IF PRODUCTION EXCEEDS A HISTORICAL REFERENCE QUOTA, FARMERS WOULD GET 30 TO 50 PERCENT LESS FOR THIS ADDITIONAL MILK.

IF WE THEN COULD AGREE WITH OUR MAIN TRADING PARTNERS ON INTERNATIONAL TRADE, WE WOULD HELP FARMERS AND SPARE A LOT OF MONEY OF OUR GOVERNMENTS.

2.3. LET THE COMMUNIST COUNTRIES PAY A FAIR PRICE !

I HAVE ALWAYS WARNED MY AMERICAN FRIENDS TO SELL FOOD TOO CHEAPLY TO RUSSIA.

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IF RUSSIA WANTS TO FEED ITS PEOPLE PROPERLY IT HAS ENOUGH FINANCIAL MEANS TO PAY FOR IT.

WHY SHOULD WE ALLOW THEM TO KEEP EXPENSES LOW AND USING THEIR MONEY FOR OTHER THINGS WHICH ARE OF LESS IMPORTANCE TO THEIR POPULATION ?

WITH THE SAME IDEAS IN MY MIND, I DO URGE ALSO EUROPEAN POLITICIANS NOT TO SELL EUROPEAN BUTTER TOO CHEAPLY TO RUSSIA.

LET ME MAKE IT VERY CLEAR:

I AM NOT AGAINST MAKING BUSINESS WITH THE EASTERN COUNTRIES.

I THINK THAT ALSO BUSINESS BRINGS PEOPLE CLOSER TOGETHER.

BUT I'M AGAINST A POLICY IN WHICH THE RUSSIANS TRY TO ABUSE THE COMPETITION BETWEEN THE WESTERN COUNTRIES FOR THEIR OWN ADVANTAGES.

2.4. A BETTER BALANCE IN AGRICULTURAL TRADE BETWEEN THE EC AND THE US

LET ME NOW COME TO SOME POINTS OF PRIMARILY BILATERAL CONCERN

FIRST OF ALL I WANT TO MENTION THE IMBALANCE OF AGRICULTURAL TRADE BETWEEN THE EC AND THE US.

THE US HAVE A LARGE ~~AND GROWING~~ EXPORT-SURPLUS IN AGRICULTURAL TRADE WITH THE COMMUNITY WHICH ROSE TO 7,4 BILLION DOLLARS IN 1981.

IN AVERAGE, THE EC IMPORTS 4 TIMES MORE AGRICULTURAL PRODUCTS FROM THE US THAN IT EXPORTS TO THE US.

I THINK, IT IS ABSOLUTELY NECESSARY TO ESTABLISH A BETTER BALANCE IN AGRICULTURAL TRADE BETWEEN THE UNITED STATES AND THE EC.

THIS CAN BE DONE IN TWO WAYS :

FIRST WE NEED YOUR HELP TO GET A BETTER ACCESS TO THE US-MARKET.

YOU KNOW THAT NEARLY 50% OF ALL OUR IMPORTS FROM THE US ARE FEEDING-STUFFS LIKE SOJA AND CORNGLUTEN.

WITH THIS WE PRODUCE ALL OUR FINE PRODUCTS LIKE CHEESE AND SAUSAGES.

BUT WHEN WE TRY TO EXPORT THEM TO THE US-MARKET, WE ARE HINDERED BY QUOTAS AND VETERINARY RULES.

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WE WANT TO SELL GERMAN SAUSAGES IN THE UNITED STATES,  
AND I KNOW THAT YOUR CONSUMERS WILL BUY THEM.

BUT SINCE I'M PRESIDENT OF MY ORGANISATION, WE CAN'T SELL  
ONE POUND OF GERMAN SAUSAGES MADE WITH GERMAN MEAT.

SPECIALISATION IN PRODUCTION ?

HERE IS OUR FIELD, AND WE FEEL DISCRIMINATED BY US-IMPORT-  
REGULATIONS.

IT IS IN THE COMMON INTEREST OF THE US- AND EC-FARMERS  
TO MAKE CHANGES.

THE SECOND FIELD IN WHICH WE MUST REACH AGREEMENTS IS THE  
FUTURE OF FEEDING-STUFF-EXPORTS FROM THE US TO THE EC.

THESE EXPORTS TO EUROPE HAVE MORE THAN QUADRUPLED IN THE  
LAST 15 YEARS (1981 : 39 MIO T).

I KNOW THAT IT IS IN THE INTEREST OF US-FARMERS TO HAVE CON-  
TINUED GROWTH OF EXPORTS, BUT THEY MUST ALSO BE CONCERNED  
TO KEEP THE MARKET GOING IN THE FUTURE.

IN 1981, I HAD THE POSSIBILITY TO TALK ON THIS SUBJECT TO  
US-FARMERS IN DEKALB-COUNTY.

I EXPLAINED TO THEM THAT 25 PERCENT OF OUR IMPORTS OF SOYBEANS AND  
SOYBEAN MEAL ARE USED AS FEED IN THE DAIRY-SECTOR, A SECTOR WHICH HAS SURPLUS-  
PRODUCTION AND WHICH NEEDS 40 PERCENT OF ALL THE COMMUNITY  
MONEY PAID FOR MARKET-ORGANIZATIONS.

AT THIS TIME, I ALREADY WARNED THAT OUR POLITICIANS COULD  
STOP PAYING FOR MILK.

SINCE THE LAST MEETING OF THE HEADS OF GOVERNMENTS OF ALL  
EC-COUNTRIES IN STUTTGART, WE KNOW THAT WE SHALL HAVE SERIOUS  
FINANCIAL PROBLEMS IN THE EC THIS YEAR.

WE IN EUROPE NEED THE FEED IMPORTS FROM AMERICA.

THERE SHOULD NOT BE ANY DOUBT ABOUT IT.

BUT, I THINK, BOTH SIDES OF THE ATLANTIC ARE INTERESTED IN  
GETTING A BETTER BALANCE IN THE DEVELOPMENT OF YOUR EXPORT-  
QUANTITIES.

I THINK OF CORNGLUTEN, I THINK OF SOY.

3. FINAL REMARKS

I AM VERY PROUD TO HAVE THIS OPPORTUNITY TO TALK TO YOU ON SOME ISSUES WHICH ARE OF CONCERN FOR FARMERS AND POLITICIANS ON BOTH SIDES OF THE ATLANTIC.

BUT LET ME CLOSE BY SAYING THAT THE SUCCESS OR THE FAILURE OF THE FREE WORLD WILL BE JUDGED BY THE ABILITY OF THE US AND THE EC TO COOPERATE AND FIND SOLUTIONS WHICH RESPECT OUR MUTUAL INTEREST.

IN HISTORY WE HAVE HAD MANY PERIODS WHEN EUROPE OR THE UNITED STATES LEARNED FROM EACH OTHER.

NOW THE PERIOD HAS COME WHEN THERE IS NO LONGER A TEACHER OR A PUPIL - BUT ONLY PARTNERS !

LET US GO TO WORK - THERE IS ENOUGH TO DO FOR EUROPE AND THE UNITED STATES IN THE WORLD OF TODAY AND TOMORROW.