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COMMON MARKET • EURATOM • COAL & STEEL COMMUNITY

COMMON MARKET COMMISSION PROPOSES REDUCTION OF SLUICE-GATE PRICE AND LEVIES ON POULTRY IMPORTS

WASHINGTON, D.C., March 29 -- The Commission of the European Economic Community (Common Market) has proposed to the Council of Ministers a reduction in the sluice-gate price and levies on poultry imports from the United States and all other countries outside the Common Market, it was announced in Brussels today.

The proposed reductions in the sluice-gate price would amount to 1 cent to 2 cents per pound (4.5 to 5 per cent), depending on the category of imported poultry.

The proposed change would be made by altering the component of the sluice-gate price which reflects the conversion rate of feed grain into poultry meat -- reducing the conversion factor (amount of food required to produce one kilogram of poultry meat) from 2.7 kilograms to 2.5 kilograms. (The conversion factor, employed with world market prices for poultry grain, is used in arriving at the sluice-gate price.)

Since the conversion factor for feed grain is also used to construct the amount of the levy, the Commission's proposal would also mean a lowering of the levy.

For the calculation of the levies the Commission suggests the following feed-conversion rates:

- Category A) Hens and chickens, plucked, without intestines, with head and feet:
2.19 kg. instead of 2.36 kg. of feed grain;
- Category B) Hens and chickens, plucked, drawn, without head or feet but with heart and gizzard: 2.6 kg. instead of 2.8 kg. of feed grain;
- Category C) Hens and chickens, plucked, drawn, without head or feet, heart, liver, or gizzard: 2.8 kg. instead of 3.02 kg. of feed grain.

If the Commission's proposal receives unanimous approval from the Council of Ministers, the sluice-gate prices would be reduced by approximately \$.03 per kilogram. The new sluice-gate prices per kilogram of slaughtered poultry would be approximately as follows:

For Category A: \$.59
For Category B: \$.70
For Category C: \$.75

If, for example, the proposed changes were to go into effect during the period April 1 to June 30, 1963, the effect on Category B (oven-ready) poultry imports into Germany from non-member countries would be as follows:

	<u>Sluice-gate Price</u>	<u>Levy</u>	<u>Total</u>
Before reduction	\$.725 per kg.	\$.2375 per kg.	\$.9625 per kg.
After reduction	.695 per kg.	.225 per kg.	.92 per kg.
Change	.03 per kg.	.0125 per kg.	.0425 per kg.