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Common agricultural prices 1981/1982

— Council's decisions

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When the Council of Ministers of Agriculture met on 30 March to 1 April 1981, it adopted decisions on common agricultural prices and related measures for the 1981/82 marketing year. The main decisions, with the reasons justifying them from the point of view of the agricultural economy, are given in this number of the Newsletter.

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The Commission's original proposals were set out in the Document "Commission Proposals on the fixing of prices for certain agricultural products and on certain related measures" (COM(81)50), February 1981¹.

The context and additional information are provided by the following documents:

- "Reflections on the common agricultural policy" (COM(80)800), 5.12.1980².
- "Proposals on policy with regard to agricultural structures" (COM(79)122) of 19.3.1979. and the supplementary structural measures for Ireland, the French Overseas Departments and certain less-favoured areas of the Federal Republic of Germany.
- "The Agricultural Situation in the Community, 1980 Report" (December 1980)
- "The Situation of the Agricultural Markets, Report 1980" (COM(81)58), February 1981.

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Under the agricultural policy:

1 ECU = BFR/LFR 40.7985 = DKR 7.91917 = DM 2.65660 = FF 5.99526 =
IRL 0.685145 = LIT 1227.00 = HFL 2.81318 = UKL 0.618655 = DR 61.4454
(as at 6.4.81).

(1) See also "Green Europe, Newsletter" n° 14, February 1981.

(2) See also "Green Europe, Newsletter" n° 13, December 1980.

I. GENERAL

When submitting its proposals, the Commission sought to reconcile constraints, some of which were in sharp conflict:

- the need to adapt farmers' incomes,
- the need to cope with permanent imbalance on certain agricultural markets, the lack of effective buffer mechanisms to adapt production changes to internal and external market needs,
- the need to curb the growth of agricultural expenditure and to hold the budget within certain limits,
- the dismantlement of monetary compensatory amounts in order to return to a unified market,
- the policy of building up agricultural exports so that they can make a contribution to the equilibrium of the Member States' trade balances.

Thus, the proposals were based on two essential factors:

- adaptation of the common agricultural prices in the light of the increase in the cost of production inputs (by 12% in 1980) and the decline in farmers' incomes (ranging in real terms from Member State to Member State from - 5 to + 20 % 1980 in comparison with 1979), requiring an effort with regard to enabling the dynamics of the agricultural sector to be maintained and underpinning its contribution to the pursuit of general economic activity.
- measures to control the financial consequences of production increases, the purpose being to make sure that unlimited guarantees for the disposal of certain products should not lead, in future years, to excessive costs to the budget; it was therefore proposed that the co-responsibility principle for producers should be applied to other sectors, beyond a certain level of production, as well as to milk and sugar.

During the negotiations in the Council, the Commission put forward a compromise designed to reconcile the positions of the Member States, without abandoning the basic principles of its proposals and of the fundamental guidelines which it had formulated for the adaptation of the common agricultural policy to the changed conditions of the general economy and of the agricultural markets.

The Council agreed that, in the difficult economic situation at present facing the Community, there was no method of calculation available which could alter the fact that its decision must necessarily have a political character.

1. Prices and farmers' income

The agricultural prices for the 1981/82 marketing year are set out in detail at the end of this document. Price increases in ECUs for the various products range from 3 to 12% (for most products between 7.5 and 11%). The average is 9.4%. The effect of these increases expressed in ECUs is altered for certain Member States by adjustments in the agri-monetary field (green rates and monetary compensatory amounts - cf. Part II). The average increase in prices, expressed in national currencies, is 10.9%.

Increase (%) in common agricultural prices
as compared with the preceding year (average)

Year	Prices in ECUs	Prices in national currencies ¹		Inflation rate (%) ³
		nominal	real	
1977/78	3.9	8.2	0	8.2
1978/79	2.1	8.6	1.0	7.5
1979/80	1.2	7.5	- 2.8	10.6
1980/81	4.3	10.5	- 1.4	12.1
1981/82	9.4	10.9	0.9	9.9 (2)

(1) Allowing for adjustments in green exchange rates made at the beginning or during the year.

(2) 1981 forecasts - including Greece.

(3) Calendar years 1977, 1978 ...

Given the inflation rates, this increase in prices is in fact a prudent one. The impact on consumer food prices (in national currencies) is estimated at about 2.5 to 3%.

The effect on retail prices will vary from one product to another, but the overall effect will be to increase household expenditure by less than 1%. These moderate price increases will represent a further contribution to the Community's effort to curb inflation.

The average price increases differ from one Member State to another following adjustments in the green exchange rates. They must be seen against the background of inflation rates differing widely from Member State to Member State.

Average increase in agricultural prices, in national currencies,
and inflation rates(1)

	1977/78		1978/79		1979/80		1980/81		1981/82	
	Average increase	Inflation rate	Average increase	Inflation rate	Average increase	Inflation rate	Average increase	Inflation rate(3)	Average increase	Inflation rate (2)
Germany	2.0	3.8	1.8	3.9	0.4	3.7	3.5	5.0	5.6	4.4
France	6.6	9.1	10.5	9.3	8.7	10.2	6.4	11.9	12.0	11.3
Italy	10.7	18.9	14.2	13.3	11.5	15.9	9.1	20.8	15.9	17.7
Netherlands	4.0	6.3	2.1	5.3	0.6	4.3	4.4	5.6	10.3	5.2
Belgium	4.1	6.7	2.2	4.5	0.8	4.9	4.6	5.1	11.0	6.0
Luxembourg	3.7	1.7	2.2	4.4	0.6	5.8	4.3	4.4	10.3	6.7
United Kingdom	6.4	13.7	10.4	10.3	12.0	14.1	4.7	19.0	9.3	12.3
Ireland	10.7	13.0	8.8	11.3	1.4	12.9	4.4	14.8	13.8	14.1
Denmark	4.3	9.2	2.1	9.6	1.3	7.3	4.9	8.5	12.6	8.3
Greece								22.5	12.6	21.4
EEC "9"	8.2	8.2	8.6	7.5	7.5	10.6	10.5	12.1	-	-
EEC "10"									10.9	9.9

- (1) Inflation (for the whole economy) for the calendar years 1977, 1978...
(2) Forecasts.
(3) Revised.

The compromise will help to protect the incomes and living standards of the 8 million farmers and farm workers, with their families, in the Community, a total of about 40 million persons, or about one European in every seven.

Apart from the effects of price increases and of the related measures, and the beneficial effect which should derive from better balance on the agricultural markets, the compromise includes arrangements which should bring about an improvement of incomes, including a number of provisions relating to the improvement of agricultural structures (1)(see Chapter III).

2. Market equilibrium

The agreement on prices is accompanied by a set of measures designed to achieve better equilibrium or more harmonious operation of various markets. The main measures are outlined in part IV of this document. In order of importance, for the main products, the following should be mentioned:

- a) a below-average price increase for cereals, sugar, certain fruits and vegetables (tomatoes),
- b) strengthened co-responsibility rules for milk and sugar,
- c) approval of the principle of coresponsibility for certain other products such as cereals and processed fruit and vegetables.

In this connection, however, the Council felt unable to accept the Commission's proposal that the principle should be applied at once to certain key sectors.

3. The compromise and the budget

EAGGF guarantee appropriations are about 12 900 000 ECUs for 1981. This is 12% more than in 1980. The appropriations should be compared with an annual increase in expenditure of 23% between 1975 and 1979 and of 10.2% from 1979 to 1980.

(1) "Green Europe - News of the CAP" will devote an issue in the near future to this policy and to the new arrangements.

It should be remembered that the 1981 budget includes for the first time expenditure relating to the accession of Greece as the tenth Member State and expenditure resulting from the application for the first full year of the common organization arrangements for the sheepmeat market.

EAGGF guarantee expenditure

('000 million ECUs)

	Total expenditure		Milk	Beef/veal	Cereals	Sugar (Net expenditure) (2)
	Gross	Net(1)				
1975	4.5	3.9	2.2	0.9	0.6	0.2
1976	5.6	4.4	2.3	0.6	0.7	0.1
1977	6.8	4.7	2.9	0.5	0.6	0.3
1978	8.7	6.4	4.0	0.6	1.1	0.5
1979	10.4	8.3	4.5	0.7	1.6	0.5
1980	11.3	9.3	4.8	1.4	1.7	0.1

1981 (3)	12.9	10.4	4.4	1.4	2.3	

(1) Gross expenditure minus levies and sugar levy.

(2) Gross expenditure minus production levies and storage levies.

(3) Including Greece.

The share of EAGGF guarantee expenditure in the total budget fell from 73% in 1979 to 67% in 1981.

	Overall EEC expenditure ('000 million ECUs)	Share of EAGGF guarantee expenditure (gross) in the budget %	% of common basis of assessment of VAT accruing to overall EEC budget
1978	12.2	71	0.64
1979	14.3	73	0.79
1980	(Budget) 16.2	71	0.72

1981 (1)	(Budget) 19.3	67	0.89

(1) Including Greece.

Each percentage point increase in agricultural prices involves net supplementary expenditure of about 120 million ECUs per year.

The financial implications of the Commission's original proposals taken as a whole had been put at 844 million ECUs over a period of 12 months and 218 million ECUs for 1981.

The Council's decisions will entail an additional increase in expenditure of 114 million ECUs for the 1981 budget and 241 million ECUs over 12 months over and above the implications of the Commission's proposals of February 1981. The overall increase in expenditure, including that relating to special measures for Ireland, is about 350 million ECUs for the 1981 budget and 1 100 million ECUs over a 12 month period.

The differences are largely accounted for by the increase in prices and in certain aids, and by the decision not to apply the additional levy on milk.

The reserves available in the 1981 budget and possible savings will enable the additional expenditure to be covered within the 1981 appropriations already approved. Thus, the measures adopted will entail no increase in the budget.

For 1982, the present decisions do not seem to be incompatible with the need to ensure that the rate of increase in agricultural expenditure stays near or below the rate of increase in the Community's "own resources". Thus it will be possible to maintain the 1982 budget at a level below the ceiling at present set for "own resources" while allowing the development of policies in sectors other than agriculture.

II. AGRICULTURAL MONETARY MEASURES: ADAPTATION OF GREEN RATES AND OF MONETARY COMPENSATORY AMOUNTS (MCAs)

With a view to making further progress towards reunification of the markets, the Commission had proposed the abolition of monetary compensatory amounts for the Benelux and a 5-point reduction in Germany and in the United Kingdom, as well as the alignment of green rates for milk on those of the other products.

It was felt that these corrections were necessary if distortions in trading competition and in the real impact of prices on farmers' incomes in the various Member States were to be reduced.

However, on 23 June 1981, the Italian lira was devalued (by 6% as against the currencies in the European Monetary System (EMS)) and the notional central rate (1) for sterling used in the basket of currencies used to calculate the ECU was adapted (upwards, by 22.74% in relation with the EMS currencies other than the lira). The purpose of the adaptation was to align the central rate - in accordance with existing agreements - on real changes in sterling on the exchanges in previous months.

These changes entailed a number of adjustments:

- a) The ECU - being defined as a basket of national currencies - was revalued by 2.536%,
- b) the central rates, i.e. the rates around which the national currencies vary within certain limits in terms of the ECU, were therefore also changed for all the Member States (except Greece, which has no central rate),
- c) the MCAs, which, for various agricultural products, are designed to bridge any "monetary gaps" between the central rates (2) and the green rates used under the CAP should thus undergo, in their turn, certain changes.

For the Member States with positive MCAs, the monetary gaps would be narrowed, but for the Member States (Italy) with negative MCAs, the gap would widen, whilst for the Member States (IRL, DK, FR, EL) which had no MCAs, negative MCAs would be reintroduced. The latter two changes are of course in conflict with the goal which the Member States had set themselves of gradually eliminating existing MCAs, and avoiding the creation of new ones,

-
- (1) The United Kingdom is not a full member of the EMS - and therefore has no central rate as do the currencies of the other Member States - but sterling is used for the definition of the ECU on the basis of a notional central rate.
 - (2) Or real exchange rate for Italy and the United Kingdom.

d) the currency developments described above would not affect, in the first instance, the agricultural prices in national currencies, since the latter are expressed in ECUs and converted into national currencies on the basis of representative rates ("green rates").

But by adapting the green rates in proportion with the changes mentioned in the central rates, the restoration or strengthening of negative MCAs for the Member States in question can be avoided.

This approach was chosen by the Commission, which proposed successfully to the Council an alignment of the green rates through their devaluation by

- (i) 2.472% for the Danish krone
- (ii) 3.776% for the Irish pound
- (iii) 2.473% for the French franc
- (iv) 2.812% for the Greek drachma.

This means that for these Member States the reintroduction of negative MCAs is avoided, whilst at the same time the common agricultural prices for 1981/82 expressed in these currencies are increased over the 1980/81 prices by the above-mentioned percentage plus the percentage applied to the common prices as expressed in ECUs.

Such a full alignment of the green rate of the Italian lira would entail a large overall increase (the increment in Community prices plus the increment arising from the adaptation of the green rate) in Italian agricultural prices, especially for those products the Community prices of which were increased the most. This would be hard to reconcile with general-economic interests. Consequently, a partial alignment was made by devaluation of the green lira by 5.661%, leaving a gap of 1.0 points to be covered by MCAs.

For Italian farmers, this operation will yield a price increase (in lire) of 6% as well as the Community increase.

e) for Member States with positive MCAs, the adaptation of the central rates in relation to the revalued ECU will mean narrower monetary gaps.

- For the Benelux countries, the new central rates in terms of the revalued ECU will even be a little above the current green rates. The situation is therefore reversed:

- the positive but low MCAs would become negative but remain within - 1 point, so that they are eliminated altogether because they fall within the "neutral margin" ("franchise"),

• the alignment of the green rates on the new central rates enables the agricultural prices expressed in national currencies of these three Member States to increase by 0.69% (for milk and milk products by 0.12%) above the Community price increase.

- For Germany and the United Kingdom, the adaptation of the central rates entails an automatic proportionate reduction in the monetary gaps and, consequently, in the positive MCAs:

from 14.1 to 12.0 for the United Kingdom
 from 8.8 to 6.5 }
 (for milk from 9.8 to 7.5) for Germany

In addition to this result of the changed currency situation, an additional reduction in the MCAs of 3.3 points was agreed for Germany (1). The total reduction in MCAs achieved for this Member State on the occasion of the fixing of the common agricultural prices for 1981/82 was therefore of 5.6 points (2).

But the impact of this on German farmers will be cushioned, the prices paid in national currency being increased by the percentage of the Community increase minus 3.458% for all products and 4.528% for milk and milk products. This brings the representative ("green") rate of the milk products sector to the level of the representative rate applying to the other products.

As a result of these operations, the MCAs will be changed as follows:

Monetary compensatory amounts

	1.1.1979	1.1.1980	1.6.1980(3)	22.3.1981(4)	6.4.1981(5)
United Kingdom	- 27.0	- 3.5	+ 1.7	+ 14.1	+ 12.9
France	- 10.6	- 3.7	0	0	0
Italy	- 17.7	- 2.3	0	- 1.0	- 1.0
Ireland	- 2.0	0	0	0	0
Benelux	+ 3.3	+ 1.9(1)	+ 1.7(1)	+ 1.7(1)	0
Germany	+ 10.8	+ 9.8(2)	+ 8.8(2)	+ 8.8(2)	+ 3.2
Denmark	0	0	0	0	0
Greece	-	-	-	0	0

- (1) Milk products: 2.4 and 2.2 respectively.
- (2) Milk products: 10.8 and 9.8 respectively.
- (3) Date of adoption of decisions relating to 1980/81 prices.
- (4) The day before the currency adaptations of the lira and sterling.
- (5) Date of entry into force of the 1981/82 prices.
- (6) Milk, milk products and beef/veal. For the other products, 6.5 until the beginning of the 1981/82 season.

- (1) 4.3 points for milk.
- (2) 6.6 points for milk.

The following table summarizes the adaptations to the green exchange rates which have taken place since the fixing of prices for 1980/81, and shows the impact on the "institutional" prices.

	<u>Date</u>	<u>Adaptation of green exchange rates</u>	<u>Effect on the institutional price</u>
Germany	1.6.1980	+ 1.151 %	- 1.137 %
	6.4.1981	+ 3.582 %	- 3.458 %
Benelux	1.6.1980	+ 0.188 %	- 0.187 %
	6.4.1981	- 0.685 %	+ 0.690 %
United Kingdom	-	-	-
France	1.4.1980	- 3.496 %	+ 3.622 %
	12.5.1980	- 1.336 %	+ 1.354 %
	6.4.1981	- 2.473 %	+ 2.536 %
Ireland	6.4.1981	- 3.776 %	+ 3.924 %
Denmark	6.4.1981	- 2.472 %	+ 2.535 %
Greece	6.4.1981	- 2.812 %	+ 2.893 %
Italy	6.4.1981	- 5.641 %	+ 6.000 %

III. OTHER DECISIONS

Together with the decisions on prices and related measures, the Council adopted a set of provisions the main aim of which is to improve the living and working conditions of the EEC farmers, especially in certain regions, and to supplement Community arrangements for certain products; these provisions are as follows:

- a new regulation on the common organization of the sugar market,
- the main aspects of arrangements to be made for the utilization of Community cereals for the manufacture of exported spirituous beverages, including whisky,
- a group of measures for the improvement of agricultural structures (including aid for young farmers, measures specific to the development programmes in Italy, Scotland, Northern Ireland, Belgium, the French Overseas Departments, Germany, etc.),

- an agreement as to principle concerning special measures for Ireland and Northern Ireland with regard to cattle farming,
- an agreement to adopt further measures for Ireland before 15 July 1981,
- a draft for the introduction of a market organization for cotton.

IV. RESULTS BY SECTOR

A. MILK AND MILK PRODUCTS

CE			DE	FR	IT	BNL	UK	IRL	DK	EL
ECU/ tonne	Increase %	(1)	Increase % in national currencies (1)							

Milk - Target price

1981/82	242.6	9.0	4.1	11.8	15.5	9.2	9.0	13.3	11.7	12.1
1980/81	222.6	4.0	2.9	10.4	14.8	3.3	10.8	5.0	13.4	-
1979/80	214.0	0	0	7.0	9.9	0	10.8	0.3	0	-
1978/79	214.0	2.0	- 0.3	9.9	14.3	2.0	13.6	8.5	7.4	-
1977/78	209.8	6.5	6.5	9.3	13.9	6.5	6.5	33.7	14.4	-
1972/73 } 0	-	5.8	4.4	9.0	17.0	5.5	12.3	13.2	8.6	-
1980/81 }										

Butter - Intervention price

1981/82	3 178,4	9.0	4.1	11.8	15.5	9.2	9.0	13.3	11.8	12.1
1980/81	2 916,0	2.3	1.2	8.6	13.0	2.1	8.9	3.3	11.5	-
1979/80	2 849,7	0	0	7.0	9.9	0	10.8	0.3	0	-
1978/79	2 849,7	2.1	- 0.2	9.9	14.4	2.1	22.1	10.5	7.4	-
1977/78	2 792,1	5.9	5.9	8.7	13.3	5.9	24.7	35.4	13.7	-
1972/73 } 0	-	3.7	2.5	6.9	14.7	3.5	22.7	13.1	7.4	-
1980/81 }										

Skimmed-milk powder - Intervention price

1981/82	1 324.5	9.0	4.1	11.8	15.5	9.2	9.0	13.3	11.8	12.2
1980/81	1 215.1	4.9	3.8	11.4	15.8	4.7	11.7	6.0	14.4	-
1979/80	1 157.9	0	0	7.0	9.9	0	10.8	0.3	0	-
1978/79	1 157.9	1.8	- 0.5	9.6	14.1	1.8	13.3	8.3	7.2	-
1977/78	1 137.5	3.0	4.4	7.1	11.6	4.4	4.4	31.0	12.1	-
1972/73 } 0	-	8.1	6.8	11.4	19.5	7.8	14.8	15.7	10.9	-
1980/81 }										

(1) The percentage increase expressed in ECU is the ratio of Community prices at the beginning of the relevant year to those at the beginning of the preceding year. The percentage increase in national currencies combines with this percentage the effects of the adjustments of green exchange rates made during the same periods.

MILK AND MILK PRODUCTS

The target price for milk and the intervention prices for butter and skimmed-milk powder have been increased by 9%, the intervention prices for Italian cheeses by 9.5 to 10 % according to type, from 6 April 1981 onwards.

Main measures

- The co-responsibility levy has been fixed at 2.5% of the target price for 1981/82 (it was 2% in 1980/81) with the same conditions as for the current levy (i.e. exemption for Greece, Southern Italy and hill areas. In the less-favoured areas, a lower levy, of 2%, will be chargeable on the first 60 000 kg of milk delivered).
- The Council withheld approval of the proposal for an additional co-responsibility levy but agreed that should additional expenditure be entailed by an increase in total quantities of milk delivered to the dairies, exceeding by more than 1% in 1981 the deliveries made in 1980, it would take steps to offset these extra costs which, under procedures to be agreed, would be chargeable to producers.
- In due course the Council will take a decision on a higher co-responsibility levy for farms producing milk mainly on the basis of imported feed (production exceeding 15 000 kg of milk per hectare of fodder-growing area), in the light of a more detailed examination by the Commission and the progress made in discussions with non-member countries supplying the feed.
- Butter consumption subsidies:
 - the subsidies have been cut by 20% from 1 January 1982 for Ireland, Denmark and Luxembourg. Community participation is maintained at 75%, but up to a maximum of 40 ECUs/100 kg (50 ECUs in 1980/81),
 - for the United Kingdom, the 100% Community aid has been maintained up to a maximum of 45.94 ECUs, as in 1980/81.
- The milk non-marketing and dairy herd conversion premiums - which had run out - were not renewed.

- Investment aid to milk production has been prohibited, except for aid to farmers implementing a development or improvement plan under common directives or measures. In the latter case, the number of cows may not exceed 40 per labour unit and farms may not exceed 1.5 labour units.
- Aid for school milk has been increased.
- Aid for concentrated butter will be suspended on 1 October 1981. Other aids and subsidies to butter fat, skimmed-milk powder, skimmed milk and casein will be fixed at the lowest effective level. The Commission will supervise this matter closely.
- Under the agreement with New Zealand, this country will be entitled to make exports to the Community on special terms: 70 250 tonnes of butter between April and December 1981 (94 000 t altogether in 1981) and 92 000 tonnes in 1982.

B. CEREALS

CE					DE	FR	IT	BNL	UK	IRL	DK	EL
Target price ECU/t					% increase in the target prices in national currencies(1)							
Increase % (1)												
Intervention price ECU/t												
Increase % (1)												
<u>Durum wheat</u>												
1981/82	317.49	7.7	279.85	7.5	4.0	10.5	14.2	8.5	7.7	12.0	10.5	10.8
1980/81	294.71	6.3	260.33	4.5	5.0	12.8	17.3	6.1	13.1	7.3	15.8	-
1979/80	271.37	2.3	249.12	1.5	1.2	9.5	12.4	1.7	13.4	2.6	2.3	-
1978/79	271.13	0	245.43	0	- 0.3	7.7	12.0	0	8.1	6.4	5.3	-
1977/78	271.13	2.5	245.43	0.5	0.5	5.2	9.6	2.5	5.6	28.6	10.1	-
1972/73 } 0	-	7.9	-	7.9	6.5	11.2	19.4	7.6	14.6	15.5	10.8	-
1980/81 } 0	-	7.9	-	7.9								
<u>Common wheat</u>												
1981/82	230.55	7.7	165.23	6.0	4.0	10.5	14.2	8.5	7.7	12.0	10.5	10.8
1980/81	214.01	6.3	155.88	4.5	5.0	12.8	17.3	6.1	13.1	7.3	15.8	-
1979/80	201.42	2.6	149.17	1.5	1.5	9.8	12.7	2.0	13.7	2.9	2.6	-
1978/79	196.32	2.7	146.97	1.3	2.4	10.6	15.1	2.7	11.1	9.3	8.1	-
1977/78	191.11	4.0	145.15	- 8.3	2.0	6.7	11.2	4.0	7.1	30.5	11.7	-
1971/73 } 0	-	5.7	-	2.6	4.4	8.9	16.9	5.4	12.2	13.1	8.5	-
1980/81 } 0	-	5.7	-	2.6								

(1) The percentage increase expressed in ECU is the ratio of Community prices at the beginning of the relevant year to those at the beginning of the preceding year. The percentage increase in national currencies combines with this percentage the effects of the adjustments of green exchange rates made during the same periods.

CE

DE FR IT BNL UK IRL DK EL

Target price ECU/t	Increase % (1)	Intervention price ECU/t	Increase % (1)
-----------------------	-------------------	-----------------------------	-------------------

% increase in the target prices in national currencies(1)

Barley and maize

1981/82	210.00	8.1	165.23	6.0
1980/81	194.32	6.3	155.88	4.5
1979/80	182.89	2.8	149.17	1.5
1978/79	177.99	1.6	146.97	1.3
1977/78	175.26	5.2	145.15	3.5
			(barley only)	
1972/73 } 0	-	5.6	-	3.7
1980/81 }				

4.3	10.8	14.5	8.8	8.1	12.3	10.8	11.2
5.0	12.8	17.3	6.1	13.1	7.3	15.8	-
1.6	9.9	12.9	2.2	13.9	3.1	2.8	-
1.3	9.4	13.8	1.6	9.8	8.0	6.9	-
3.1	8.0	12.5	5.2	8.3	32.0	13.0	-
4.3	8.8	16.8	5.3	12.1	13.0	8.4	-

Rye

1981/82	210.0	6.4	169.20	3.3
1980/81	197.31	2.5	163.82	2.5
1979/80	192.50	2.7	159.32	1.5
1978/79	187.53	0	157.47	1.0
1977/78	187.53	4.0	155.91	4.0
1972/73 } 0	-	5.6	-	4.2
1979/80 }				

2.8	9.1	12.8	7.2	6.4	10.6	9.1	9.5
1.3	8.8	13.1	2.3	9.1	3.5	11.7	-
1.5	9.8	12.8	2.1	13.7	3.0	2.6	-
- 0.3	7.7	12.0	0	8.1	6.4	5.3	-
2.0	6.7	11.2	4.0	7.1	30.5	11.7	-
4.4	8.8	16.8	5.3	12.2	13.1	8.4	-

(1) The percentage increase expressed in ECU is the ratio of Community prices at the beginning of the relevant year to those at the beginning of the preceding year. The percentage increase in national currencies combines with this percentage the effects of the adjustments of green exchange rates made during the same periods.

CEREALS

Target prices have been increased by 8% for feed grain, 7.7% for common wheat and durum and about 10% for rice.

The intervention prices have been increased by 6%, except for rye (about 3%) and rice (11%).

This brings the prices of the various cereals into a more satisfactory relationship.

Main measures

- An average quality for common wheat of breadmaking quality has been defined and a corresponding reference price fixed.
- The principle that cereals producers should share responsibility for costs has been approved. Any changes in the intervention prices and reference prices resulting will be applied only for the 1982/83 marketing year.
- Production refunds for the starch of wheat, maize and broken rice have been maintained, but ways and means will be examined of improving the profitability of this sector and reducing the expenditure arising for the Community budget.
- The premium for potato starch has been increased by 11%.

C. SUGAR

CE	DE	FR	IT	BNL	UK	IRL	DK	EL
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Sugarbeet

	Minimal Increase price		% increase in national currencies (1)							
	ECU/t	% (1)								
1981/82	35.91	8.5	4.7	11.1	15.0	9.2	8.5	12.7	11.2	11.7
1980/81	33.10	4.0	2.8	10.4	14.8	3.8	10.7	5.0	13.3	-
1979/80	31.83	1.5	0.4	8.6	11.5	0.9	12.5	1.8	1.5	-
1978/79	31.36	2.0	1.7	9.9	1.2	2.0	4.9	3.2	7.4	-
1977/78	30.74	3.5	1.5	6.2	10.1	3.5	6.4	29.7	11.1	-
1972/73 } 0	-	.6	4.4	8.9	15.3	5.4	15.2	14.5	8.4	-
1980/81 } 0	-	.6								

White sugar

	Intervention Increase price		% increase in national currencies (1)							
	ECU/t	% (1)								
1981/82	469.5	8.5	5.6	6.5	15.9	10.1	9.4	17.2	12.1	11.6
1980/81	432.7	5.3	3.3	10.9	15.3	4.3	11.2	5.5	13.9	-
1979/80	410.9	1.5	0.4	8.6	11.5	0.9	12.5	1.8	1.5	-
1978/79	404.9	2.0	1.7	9.9	6.1	2.0	7.0	5.3	7.4	-
1977/78	396.9	- 0.9	- 2.9	1.7	5.9	- 0.9	2.1	24.4	6.4	-
1972/73 } 0	-	5.5	4.1	8.6	15.7	5.1	15.2	14.3	8.2	-
1980/81 } 0	-	5.5								

(1) The percentage increase expressed in ECU is the ratio of Community prices at the beginning of the relevant year to those at the beginning of the preceding year. The percentage increase in national currencies combines with this percentage the effects of the adjustments of green exchange rates made during the same periods.

SUGAR

A new regulation for the common organization of the sugar market was adopted (1) for a period of five years from 1981 onwards.

The basic price for sugarbeet and the intervention price for white sugar had been increased by 8.5% for the 1981 marketing year.

Main measures

- The A and B quotas had been adapted but the financial involvement of producers has been increased:
 - production levy up to 2% for A and B sugars,
 - a levy on B sugar up to 30% (altogether, therefore, a maximum of 32%).
In the case of a negative balance, this levy can be increased by up to 7.5% for the following marketing year.
- National aids are maintained in the French Overseas Departments and in Italy. In Northern Italy, the aid will be gradually scaled down each year by 2% of the intervention price in coming years.

(1) "Green Europe - Newsletter on the common agricultural policy" will devote a forthcoming issue to this new market organization.

D. MEAT

CE	DE	FR	IT	BNL	UK	IRL	DK	EL
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Beef/veal

	Target price ECU/t	Increase % (1)	% increase in national currencies (1)							
1981/82	1 728.2	7.5	3.8	10.2	13.9	8.2	7.5	11.7	10.2	10.6
1980/81	1 607.6	4.0	2.8	10.4	14.8	3.8	10.7	5.0	13.4	-
1979/80	1 545.8	1.5	0.4	8.6	11.5	0.9	12.5	1.8	1.5	-
1978/79	1 522.9	2.5	0.2	10.4	14.8	2.5	15.1	13.3	7.9	-
1977/78	1 485.8	3.5	3.5	6.2	10.7	3.5	10.9	35.2	11.2	-
1972/73 } 1980/81 } 0	-	6.2	6.2	10.7	18.8	7.1	17.2	18.2	10.3	-

Pigmeat

	Basic price ECU/t	Increase % (1)	% increase in national currencies (1)							
1981/82	1 761.8	11.0	7.2	13.8	17.6	11.8	11.0	15.4	13.8	14.2
1980/81	1 587.2	5.5	4.3	6.9	16.5	5.3	12.3	6.5	15.0	-
1979/80	1 504.5	1.5	0.4	9.6	11.5	0.9	12.5	1.8	1.5	-
1978/79	1 482.2	2.0	0.3	13.9	14.3	2.0	10.3	8.5	7.4	-
1977/78	1 453.2	5.0	5.0	7.7	12.3	5.0	8.1	21.8	8.2	-
1972/73 } 1980/81 } 0	-	6.0	4.7	9.2	17.2	5.7	12.6	13.7	8.8	-

Sheepmeat

	Basic price ECU/t	Increase % (1)	% increase in national currencies (1)							
1981/82	3 708.8	7.5	3.8	10.2	13.9	8.2	7.5	11.7	10.2	10.6
1980/81	3 450.0	-	-	-	-	-	-	-	-	-

(1) The percentage increase expressed in ECU is the ratio of Community prices at the beginning of the relevant year to those at the beginning of the preceding year. The percentage increase in national currencies combines with this percentage the effects of the adjustments of green exchange rates made during the same periods.

BEEF/VEAL

The guide and intervention prices will be increased in two stages, by 7.5% at the beginning of the 1981/82 marketing year and 2.5% from 7 December, making a total of 10%.

Main measures

- The Community grading system for carcasses of various categories of animal was approved. It will be applied for intervention buying-in and in connection with the ascertainment of market prices at a date which the Council will fix before the end of March 1982.
- The suckler cow premium has been kept at the 1980/81 figure (20 ECUs per cow), but from 1982/83 onwards only 75% of the premium will be chargeable to the Community.
- The calving premium has been maintained in Italy provisionally at 32 ECUs per calf.
- The Council endorsed the maintenance of the slaughtering premium, but Parliament has not yet rendered an Opinion.
- As part of its market management work, the Commission will be deciding as to which categories of animal (male or female) may be bought in by intervention agencies on the basis of the market situation. It will not suspend intervention for certain categories of meat in Ireland if the average market price in Ireland remains below 85% of the intervention price.

PIGMEAT

The basic price for pigmeat will be increased by 11% on 1 November 1981.

Main measures

- The Commission will endeavour to manage the market using available instruments so that this increase in the basic price is actually reflected in market prices.

- Investment aid for pigmeat production is prohibited with the exception of aids granted for a volume of investment necessary for the creation of 550 places for pigs per farm. This number may be adapted under a development plan for the farm, in specific cases where 550 places will not ensure a comparable income for 1.5 labour units. But no aid can be granted for a number of places exceeding 1 000.

SHEEPMEAT

The 1981/82 marketing year will be the first during which the common organization of the sheepmeat market - first started in October 1980 - will have been in operation throughout the year (1).

As against the previous prices, the basic price and the central reference price (i.e. that from which the annual alignments of prices as between the various regions will be made) have been increased by 7.5%.

The increase applies to the reference prices of various regions, which will be aligned by 25% of the central reference price.

The intervention price (85% of the basic price) has also been increased by 7.5%.

A number of adaptations of the basic regulation have been agreed, including adaptations of the premiums system in region N° 3 (Benelux, Denmark, Germany) and adaptations with regard to import levies for live animals.

(1) A short description of the machinery set up in 1980 for the sheepmeat market was given in "Green Europe - In Brief", N° 12.

E. WINE

CE

FR IT DE EL

Type A I (White)

	Guide price ECU/°hl	Increase % (1)	% increase in national currencies (1)			
1981/82	2.72	8.4	11.2	16.7	4.6	11.1
1980/81	2.51	5.5	11.9	16.4	4.4	-
1979/80	2.38	1.3	8.5	11.5	0.3	-
1978/79	2.35	2.2	10.0	14.4	1.9	-
1977/78	2.30	5.5	5.9	10.4	1.3	-
1972/73) 1980/81) 0	-	4.8	8.7	16.6	4.2	-

Type R I (Red)

	Guide price ECU/°hl	Increase % (1)	% increase in national currencies (1)			
1981/82	2.95	10.1	12.9	14.8	6.4	5.4
1980/81	2.68	5.5	12.0	16.5	4.2	-
1979/80	2.54	1.6	8.5	11.5	0.4	-
1978/79	2.50	2.0	9.9	14.3	1.6	-
1977/78	2.45	3.4	6.3	10.8	1.6	-
1972/73) 1980/81) 0	-	4.8	8.7	16.6	4.2	-

Types A I and R I include most French and Italian table wines.

(1) The percentage increase expressed in ECU is the ratio of Community prices at the beginning of the relevant year to those at the beginning of the preceding year. The percentage increase in national currencies combines with this percentage the effects of the adjustments of green exchange rates made during the same periods.

WINE

The guide price for all wines has been increased by 10%, except for white wine of the type A I, for which the increase is 8.5%. This should allow a more marked differentiation between white wines and red wines of southern origin in order to take account of the situation of the markets.

The Council also adopted a regulation fixing general rules for the minimum price for table wine at production level, valid until 15 December 1981.

F. OILSEEDS AND OLIVE OIL

	Guide price ECU/100 kg	Increase % (1)
1981/82	272.77	10.0
1980/81	247.97	5.5
1979/80	235.04	1.5
1978/79	231.56	2.0
1977/78	227.02	1.5
1972/73 } 0	-	6.4
1980/81 }		

Italy Greece
% increase in national currencies (1)

16.6	13.2
15.2	-
12.8	-
14.3	-
8.6	-
17.7	-

	Intervention price ECU/100 kg	Increase % (1)
1981/82	196.33	9.0
1980/81	180.12	4.0
1979/80	173.19	1.5
1978/79	170.63	4.8
1977/78	162.75	- 3.3
1972/73 } 0	-	9.5
1980/81 }		

15.5	9.2
13.5	-
12.8	-
17.5	-
4.6	-
21.0	-

(1) The percentage increase expressed in ECU is the ratio of Community prices at the beginning of the relevant year to those at the beginning of the preceding year. The percentage increase in national currencies combines with this percentage the effects of the adjustments of green exchange rates made during the same periods.

OILSEEDS AND OLIVE OIL

The target prices for colza and rape seeds has been increased by 10%. This is also the case for most of the prices fixed for the other seeds. No quantity ceiling has been set beyond which prices and aids would be reduced.

For olive oil, the target price has been increased by 10%, the intervention price by 9% and production aid by 7.5%. There will be no quantity ceiling beyond which this aid would be reduced.

G. FRUIT AND VEGETABLES

CE			DE	FR	IT	BNL	UK	IRL	DK	EL
Basic price ECU/100 kg	Increase % (1)	% increase in national currencies (1)								
<u>Tomatoes</u>										
1980/81	24.79									
1981/82	26.77	8.0	4.3	10.7	14.4	8.7	8.0	12.2	10.7	11.1
<u>Cauliflower</u>										
1980/81	14.75									
1981/82	16.37	11.0	7.2	13.8	17.6	11.8	11.0	15.3	13.8	14.2
<u>Peaches</u>										
1980/81	36.71									
1981/82	40.75	11.0	7.2	13.8	17.6	11.8	11.0	15.4	13.8	14.2
<u>Apples</u>										
1980/81	20.42									
1981/82	22.26	9.0	5.2	11.8	15.5	9.8	9.0	13.3	11.8	12.2
<u>Sweet oranges</u>										
1980/81	32.14									
1981/82	35.68	11.0	7.2	13.8	17.7	11.8	11.0	15.4	13.8	14.2

(1) The percentage increase expressed in ECU is the ratio of Community prices at the beginning of the relevant year to those at the beginning of the preceding year. The percentage increase in national currencies combines with this percentage the effects of the adjustments of green exchange rates made during the same periods.

FRUIT AND VEGETABLES

The basic and buying-in prices for cauliflowers, peaches, lemons, pears, table grapes, mandarins and sweet oranges have been increased by 11%.

The Council decided to increase the prices for tomatoes and apples - products in respect of which disposal difficulties may well arise - by 8 and 9% respectively.

Main measures

- The marketing premium for oranges, mandarins, clementines and lemons was also increased by 11%.
- For aid granted to processed fruit and vegetables, the Commission had proposed that the limited quantities eligible be fixed on the basis of average production over recent years. This limitation was not approved. The Commission will apply criteria for the granting of these aids so as to achieve economies equivalent to those which would result from applying the proposals it had submitted.
- For Williams pears and cherries in syrup, the present quantitative limitations will still be applied but will be adapted to take account of the accession of Greece.

TOBACCO

For the 1981 harvest, the norm price for the various varieties has been increased by 5-10% (average about 8%). The premiums will be increased by a percentage ranging between 7 and 15% (average about 10%).

For Oriental and Kentucky varieties, for which there are disposal difficulties, the intervention price for the 1981 harvest will be reduced from 90 to 80% of the norm price.

V. TABLE OF PRICES FOR INDIVIDUAL PRODUCTS

Product	Category of price or amount	1980/81		1981/82		Period of application	Greece (1)	
		Amount (ECU/t)	Increase %	Amount (ECU/t)	Increase %		1980/81 ECU/t	1981/82 ECU/t
1	2	3	4	5	6	7	8	9
Common wheat	Target price	214.01	6.3	230.55	7.73	1.8.81 - 31.7.82	C.P.	C.P.
	Intervention price	155.88	4.5	165.23	6		C.P.	C.P.
	Reference price for bread-wheat (average quality)	179.27	4.5	192.72	7.5		-	182.44
	Reference price for bread-wheat (minimal quality)	175.20	4.25	184.84	5.5		163.02	174.56
Durum wheat	Target price	294.71	6.3	317.49	7.73	1.8.81 - 31.7.82	C.P.	C.P.
	Intervention price	260.33	4.5	279.85	7.50		232.80	256.25
	Aid	79.24/ha	2.5	85.18	7.50		-	57.23
Barley	Target price	194.32	6.2	210.00	8.07	1.8.81 - 31.7.82	C.P.	C.P.
	Single intervention price	155.88	4.5	165.23	6		C.P.	C.P.
Rye	Target price	197.31	2.5	210.00	6.43	1.8.81 - 31.7.82	C.P.	C.P.
	Intervention price	163.82	2.5	169.20	3.28		156.37	163.04
Maize	Target price	194.32	6.2	210.00	8.07	1.8.81 - 31.7.82	C.P.	C.P.
	Single intervention price	155.88	4.5	165.23	6		C.P.	C.P.
Rice	Target price	408.16	6.8	450.50	10.37	1.9.81 - 31.7.82	C.P.	C.P.
	Intervention price - paddy	233.71	6.9	259.42	11		C.P.	C.P.
Sugar	Minimum price for sugarbeet	33.10	4.0	-	-	1.7.81 - 30.6.82		
	Basic price for beet	-	-	35.91	8.5		C.P.	C.P.
	Intervention price for white sugar	432.70	5.3	469.50	8.5		C.P.	C.P.

Product	Category of price or amount	1980/81		1981/82		Period of application	Greece (1)	
		Amounts (ECU/t)	Increase %	Amounts (ECU/t)	Increase %		1980/81 ECU/t	1981/82 ECU/t
1	2	3	4	5	6	7	8	9
Olive oil	Producer target price	2479.70	5.5	2727.70	10	1.11.81 - 31.10.82	C.P.	C.P.
	Intervention price	1801.20	4.0	1963.30	9		1663,00	1812,67
	Production aid	558.10	5.5	600	7.5		111.60	120.00
Oilseeds	Target price							
	- Colza and rape seed	386.90	6.3	425.60	10	1. 7.81 - 30. 6.82		
	- sunflower seed	426.30	7.5	477.50	12	1. 9.81 - 31. 8.82		
	Basic intervention price							
	- Colza and rape seed	367.70	4.0	397.10	8	1. 7.81 - 30. 6.82		
	- Sunflower seed	400.50	4.0	440.60	10	1. 9.81 - 31. 8.82		
	Guide price							
	- Soja	420.50	6.5	462.60	10	1.11.81 - 31.10.82		
	- Flax seed	421.80	6.0	464.00	10	1.11.81 - 31. 7.82		
	- Castor seed	543.70	5.5	598.10	10	1.10.81 - 30. 9.82		
Minimum price soja	386.90	-	416.30	7.6	1.11.81 - 31.10.82			
Minimum price castor	517.80	5.5	569.60	10	1.10.81 - 30. 9.82			
Dried fodder	Fixed aid	6.51	1.7	7.03	8	1. 4.81 - 31. 3.82		1.41
	Guide price	134.62	6.5	148.08	10		126.5	140.93
Peas and beans	Activating price	375.90	7.5	418.30	11.3	1. 7.81 - 30. 6.82		
	Minimum price	226.60	5.5	244.70	8			
Flax and hemp	Fixed aid (per ha)					1. 8.81 - 31. 7.82		
	- Textile flax	264.71	6.5	296.48	12		-	59.30
	- Hemp	240.41	6.5	269.26	12		-	53.85

Product	Category of price or amount	1980/81		1981/82		Period of application	Greece (1)	
		Amounts (ECU/t)	Increase %	Amounts (ECU/t)	Increase %		1980/81 ECU/t	1981/82 ECU/t
1	2	3	4	5	6	7	8	9
Seed	Aid (per 100 kg)							
	- Monoecious hemp	12.9	1.6	14.2			-	2.6
	- Fibre flax	17.8	1.7	19.6			-	3.6
	- Linseed	14.1	1.4	15.5	10	1.7.82 - 30.6.83	-	2.8
	- Grasses	12.3-50.3	1.7-9.6	13.3-63.6	Average	and	-	2.5-11.1
	- Legumes	4.9-36.8	2.1-8.6	5.4-47.0		1.7.83 - 30.6.84	4.9-10.0	1.2-11.9
	- Rice	12.1	-	13.3			-	2.4
Table wine type R I	Guide price (per degree/hl or per hl, according to type)	2.68	5.5	2.95	10		2.41	2.71
R II		2.68	5.5	2.95	10	16.12.81 - 15.12.82	2.41	2.71
R III		41.79	5.5	45.97	10		C.P.	C.P.
A I		2.51	5.5	2.72	8.5		C.P.	C.P.
A II		55.69	5.5	61.26	10		C.P.	C.P.
A III		63.60	5.5	69.96	10		C.P.	C.P.
Unmanufactured tobacco	Guide price Intervention price	-	4.0 Average	-	8 Average	1. 1.81 - 31.12.81	-	C.P.
Fruit and vegetables	Basic price	-	5.5 Average	(2)	8 to 11	1981 - 1982	-	C.P.
Milk	Target price for milk	222.60	4.0	242.60	9	6. 4.81 - 31. 3.82	}	C.P.
	Intervention price							
	- of butter	2916.00	2.3	3178.40	9	6. 4.81 - 31. 3.82		
	- of skimmed-milk powder	1215.10	4.9	1324.50	9	6. 4.81 - 31. 3.82		
	- of cheese							
	• Grana Padano - 30-60 days	2896.10	3.6	3172.00	9.52	6. 4.81 - 31. 3.82		
	• Grana Padano - 6 months	3498.50	3.2	3842.70	9.83	6. 4.81 - 31. 3.82		
	• Parmigiano-Reggiano - 6 months	3807.40	2.9	4188.70	10.01	6. 4.81 - 31. 3.82		

Product	Category of price or amount	1980/81		1981/82		Period of application	Greece (1)	
		Amounts (ECU/t)	Increase %	Amounts (ECU/t)	Increase %		1980/81 ECU/t	1981/82 ECU/t
1	2	3	4	5	6	7	8	9
Beef/veal	Guide price for adult bovines (live weight)	1607.60	4.0	1728.20 1768.40	7.5 10.0	6. 4.81 - 6.12.81 7.12.81 - 4. 4.82	} C.P.	C.P.
	Intervention price for adult bovines (live weight)	1446.80	4.0	1555.40 1591.60	7.5 10.0	6. 4.81 - 6.12.81 7.12.81 - 4. 4.82		
	Aid suckler cows	20	-	20	-	6. 4.81 - 4. 4.82		
Sheepmeat	Basic price (slaughter weight)	3450.00	-	3708.80	7.5	6. 4.81 - 4. 4.82	C.P.	C.P.
Pigmeat	Basic price (slaughter weight)	1587.21	5.5	1761.80	11.0	1.11.81 -31.10.82	C.P.	C.P.
Silkworms	Aid per box of silk seed Aid to recognized producers groups (per box)	71.21	5.5	85.00	19.4	6. 4.81 -31. 3.82	58.79	62.70

(1) Price different from the common price.

CP = common price

(2) Cauliflowers (+ 11 %) :	1. 5.1981 to 30. 4.1982	Table grapes (+ 11 %) :	1. 8.1981 to 31.10.1981
Tomatoes (+ 8 %) :	11. 6.1981 to 30.11.1981	Apples (+ 9 %) :	1. 8.1981 to 30. 6.1982
Peaches (+ 11 %) :	1. 6.1981 to 30. 9.1981	Mandarins (+ 11 %) :	16.11.1981 to 28. 2.1982
Lemons (+ 11 %) :	1. 6.1981 to 31. 5.1982	Sweet oranges (+ 11 %) :	1.12.1981 to 31. 5.1982
Pears (+ 11 %) :	1. 7.1981 to 30. 4.1982		

For Greece, lower prices have been fixed for tomatoes, peaches, lemons, mandarins and oranges, and higher prices for pears and table grapes, pursuant to the Act of Accession.

The common prices are applicable to cauliflowers and apples.