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## EC COMMISSION PROPOSES PRICE FREEZE FOR MAJOR PRODUCTS

The Commission of the European Communities last week proposed a virtual freeze in European Community common farm prices for the 1984-85 marketing year.

The Commission acknowledged that the price proposals - reflecting an average increase of only .8 percent - would hurt farm incomes, but said the Common Agricultural Policy (CAP) must "take account not just of the farm community, but of the Community economy as a whole, including the interests of consumers and taxpayers."

A rigorous price policy is required to protect the Community's financial health and to more accurately reflect market conditions, the Commission said. "The Community cannot be expected to buy up ever-increasing quantities of products for which there is no market or to fix guaranteed prices irrespective of the level at which the product can be sold," it added.

The Commission urged the Council of Ministers to approve these price measures, along with the package of policy reforms proposed last summer, by March 31. Without such action, it said, "it would become necessary as a crisis measure to make immediate and possibly drastic cuts in the level of market support prices."

Under the proposals, 1984-85 prices for cereals, milk, wine and tomatoes would be maintained at their existing levels. Prices would be reduced by 1 percent for colza and rapeseed and by up to 2 percent for certain varieties of tobacco that are hard to market. They would be increased marginally for sugar, durum wheat, sunflower seed, beef, sheepmeat and pigmeat and slightly more for other oilseeds, protein products, rice, textile plants certain fruits and vegetables and some varieties of tobacco.

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The Commission also proposed adjustments to the "intervention prices" - guaranteed minimum support prices - for butter and skimmed milk powder aimed at stimulating consumption of butter. These adjustments would mean an 11 percent decrease in the butter intervention price, and a corresponding increase in the price for skimmed milk powder.

The Commission noted that although agricultural incomes in the Community declined by about 6 percent in real terms in 1983, E.C. farmers have been more protected from the international economic crisis than farmers in some other nations.

The Commission has also proposed a gradual dismantling of existing "monetary compensatory amounts," which are applied under a system of internal border payments and deductions designed to offset the impact of currency fluctuations on farm prices. The proposals would lead to an average drop in farm prices as expressed in national currencies of .5 percent.

As part of its proposed CAP reform package, the Commission has also recommended "guarantee thresholds" - restrictions on the volume of produce on which farmers can receive a guaranteed price - for three new products: durum wheat (4.5 million tons), sunflower seed (1.15 million tons) and raisins (80,000 tons). Existing thresholds would remain unchanged for milk (97.2 million tons) and processed tomatoes (4.3 million tons), and be increased slightly for cereals other than durum wheat (from 120.5 to 121.3 million tons) and for colza (from 2.39 million to 2.44 million tons).

With these price proposals and the wide-ranging package of measures presented last July, the Commission has demonstrated its determination to put the CAP into a sound economic and financial context for the years ahead.

Consequences of 1984/85 proposals for agricultural support prices

	Average % increase in common prices (1984/85 proposals compared with 1983/84 decisions)	
	in ECU (1)	in national currency (2)
Germany	+0.8	-5.4
France	+0.6	+3.2
Italy	+0.8	+0.8
Netherlands	+0.8	-3.1
Belgium	+1.0	+2.3
Luxembourg	+0.7	+1.9
United Kingdom	+0.8	-3.2
Ireland	+0.9	+2.1
Denmark	+0.7	-0.4
Greece (3)	+1.4	+3.4
Community average	+0.8	-0.5

- (1) Common prices in ECU (intervention or equivalent prices) weighted according to national agricultural production.
- (2) Common prices in ECU converted into national money at rates reflecting proposed adjustments to monetary compensatory amounts.
- (3) Includes alignment of Greek prices on common prices due to accession arrangements.

ECU = European Currency Unit

Price proposals for individual products

Product	Category of price or amount	1983/84		1984/85 proposals		Period of application of the proposed prices
		Amounts ECU/ton	% increase	Amounts ECU/ton	% increase	
1	2	3	4	5	6	7
Common wheat	Target price	261.41	4.3	261.41	0.0	1.8.84 - 31.7.85
	Common single intervention price	184.58	3.0	184.58	0.0	
	Reference price for bread-wheat - average quality	215.29	3.0	215.29	0.0	
Durum wheat	Target price	355.42	4.8	360.96	1.6	1.8.84 - 31.7.85
	Intervention price	312.08	4.6	315.20	1.0	
	Aid	99.81	5.5	102.31	2.5	
Barley	Target price	238.17	4.3	238.17	0.0	1.8.84 - 31.7.85
	Common single intervention price	184.58	3.0	184.58	0.0	
Rye	Target price	238.17	4.3	238.17	0.0	1.8.84 - 31.7.85
	Intervention price	184.58	3.0	184.58	0.0	
Maize	Target price	238.17	4.3	238.17	0.0	1.8.84 - 31.7.85
	Common single intervention price	184.58	3.0	184.58	0.0	
Rice	Target price - husked rice	523.16	5.3	543.75	3.9	1.9.84 - 31.8.85
	Intervention price - paddy rice	306.53	5.5	317.26	3.5	
Sugar	Basic price for sugarbeet	40.89	4.0	41.30	1.0	1.7.84 - 30.6.85
	Intervention price for white sugar	534.70	4.0	540.10	1.0	

		1983/84		1984/85 proposals		
Product	Category of price or amount	Amounts ECU/ton	% increase	Amounts ECU/ton	% increase	Period of application of the proposed prices
1	2	3	4	5	6	7
Oilive oil	Production target price	3 194.2	5.5	3 274.1	2.5	
	Intervention price	2 299.2	5.5	2 299.2	0.0	1.11.84-31.10.85
	Production aid	702.6	5.5	720.2	2.5	
Oilseeds:	Target price					
	- Colza and rape seed	482.20	4.0	477.30	- 1.0	1.7.84-30.6.85
	- Sunflower seed	577.10	6.0	594.00	1.0	1.8.84-31.7.85
	Basic intervention price					
	- Colza and rape seed	438.0	4.0	433.60	- 1.0	1.7.84-30.6.85
	- Sunflower seed	527.1	6.0	543.50	1.0	1.8.84-31.7.85
	Guide price					
	- Soya beans	561.7	6.5	575.70	2.5	1.9.84-31.8.85
	- Flax seed	545.9	6.0	554.10	1.5	1.8.84-31.7.85
	Minimum price soya beans	494.3	6.5	506.70	2.5	1.9.84-30.8.85
Dried fodder	Fixed rate aid	8.49	6.0	8.49	0.0	1.4.84-31.3.85
	Guide price	178.94	6.0	183.41	2.5	1.7.84-30.6.85
Peas & beans	Activating price	517.6	8.7	530.5	2.5	1.7.84-30.6.85
	Minimum price	291.9	6.5	299.2	2.5	
Flax and hemp	Fixed rate aid (per ha)					
	- Fibre flax	355.12	6.0	364.00	2.5	1.8.84-31.7.85
	- Hemp	322.52	6.0	330.58	2.5	

		1983/84		1984/85 proposals		
Product	Category of price or amount	Amounts ECU/ton	% increase	Amounts ECU/ton	% increase	Period of application of the proposed prices
1	2	3	4	5	6	7
Cotton	Guide price	927.5	8.0	950.7	2.5	1.9.84 - 31.8.85
	Minimum price	881.2	8.0	903.2	2.5	
Table wine						
Type RI	Guide price	3.45	5.5	3.45	0.0	
RII	(per degree/hl or per hl	3.45	5.5	3.45	0.0	
RIII	according to type)	53.84	5.5	53.84	0.0	1.9.84-31.8.85
AI		3.20	6.0	3.20	0.0	
AII		71.74	5.5	71.74	0.0	
AIII		81.93	5.5	81.93	0.0	
Raw tobacco	Guide price (x) Premia (x)		4-7.5 5-8.5		-2 - +3 -2 - +3	1984 harvest
Fruit & vege- tables	Basic price		3.5-6.5 (d)		0 - 3	1984 - 1985

Product	Category of price or amount	1983/84		1984/85 proposals		Period of application of the proposed prices
		Amounts ECU/ton.	% increase	Amounts ECU/ton.	% increase	
1	2	3	4	5	6	7
Milk	Target price for milk	274.3	2.3	274.3	0.0	1.4.84 - 31.3.85
	Intervention price					
	- for butter	3 578.6	2.3	3 169.5	- 11.4	
	- for skimmed-milk powder	1 496.4	2.3	1 658.8	10.9	
	- for cheese					
	. Grana padano					
	30-60 days	3 612.8	2.3	3 683.5	2.0	
	. Grana padano 6 months	4 395.3	2.3	4 469.8	1.7	
	. Parmigiano-Reggiano					
	6 months	4 802.6	2.3	4 877.0	1.6	
Beef and veal	Guide price for adult bovines			(1)		2.4.84 - 1.4.85
	Intervention price for adult bovines	2070.90	5.5	3 624.1	1.5	
		1863.80	5.5	3 261.7	1.5	
Sheep-meat	Basic price (carcase weight)	4323.60	5.5	4 388.5	1.5	4.4.84 - 6.1.85
				4 454.3	1.5	7.1.85 - 5.1.86
Pigmeat	Basic price (slaughter weight)	2053.87	5.5	2 084.70	1.5	1.11.84-31.10.85
Silk-worms	Aid per box of silk seed	106.00	6.0	108.65	2.5	1.4.84-31.3.85

(1) These figures in ECU are not strictly comparable with those for the 1983/84 marketing year.

