

# newsfeature

**EUROPEAN COMMUNITY INFORMATION SERVICE**

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## EUROPE HELPS CATTLE FARMERS

### Washington

Europe's cattle breeders, like America's, are worried about falling beef prices. With beef storage space in Europe practically exhausted, the Council of Ministers of the European Common Market has approved a plan which will keep prices up for the farmer without affecting retail prices at the stores -- by encouraging farmers to delay slaughter.

Any beef cattle slaughtered in August earned a Common Market premium of 20 units of account (approximately \$24) per head. The payment rose to \$36 in September, and is \$48 for October and November.

In December, the payment will be \$60. In January, it will be \$72 and in February \$84.

Europe will reduce or suspend the payments if livestock prices improve.

The "beef mountain" grew this summer when production rose and consumption fell, triggering a price slide which alarmed peasants. Farmers in Ireland, France, and Germany were the most affected.

National governments are bearing the cost of the plan until November: then the European Community "farm fund" will take over half the cost. In January, the fund's share will rise to 60 per cent, and in February 70 per cent. The Council of Ministers will decide later this year whether to prolong the program until April 1975.

Other protective measures have been taken by the Market. Between July 17 and October 31, no beef imports are being permitted into the nine-nation European Community (EC). This measure was adopted by the Council over the objections of the European Community's Commission, which proposes and executes policy.

To reduce beef stocks, some beef is being sold at reduced prices to non-profit organizations such as public hospitals and senior citizen homes, and to low income and "welfare" citizens. EC member states have been asked to suspend the value added tax on beef.

Up to 40,000 tons of beef will be offered as aid to underdeveloped countries: The EC has officially ruled out cheap exports to the Soviet Union or other countries, but normal EC beef sales to Eastern Europe continue.

To make the "beef mountain" -- which reached 130,000 tons in midsummer -- easier to handle and less demanding in space, the EC has financed a deboning operation.

Cattle on the hoof, now earning less than 30 cents a pound in the United States, are getting much better prices in Europe, thanks to the EC program. Current farmer prices vary from about 37 cents a pound in Ireland to 45 cents in Italy.

Nevertheless, not all European farmers are happy. A tentative decision to increase the guaranteed prices of the EC's "common agricultural policy" by five per cent, starting October 1, was rejected by farmers as inadequate. In September, about a million European farmers took part in demonstrations urging a greater increase. Negotiations within the EC countries continue.