

European Communities

---

EUROPEAN PARLIAMENT

# Working Documents

1982-1983

---

3 November 1982

DOCUMENT 1-785/82

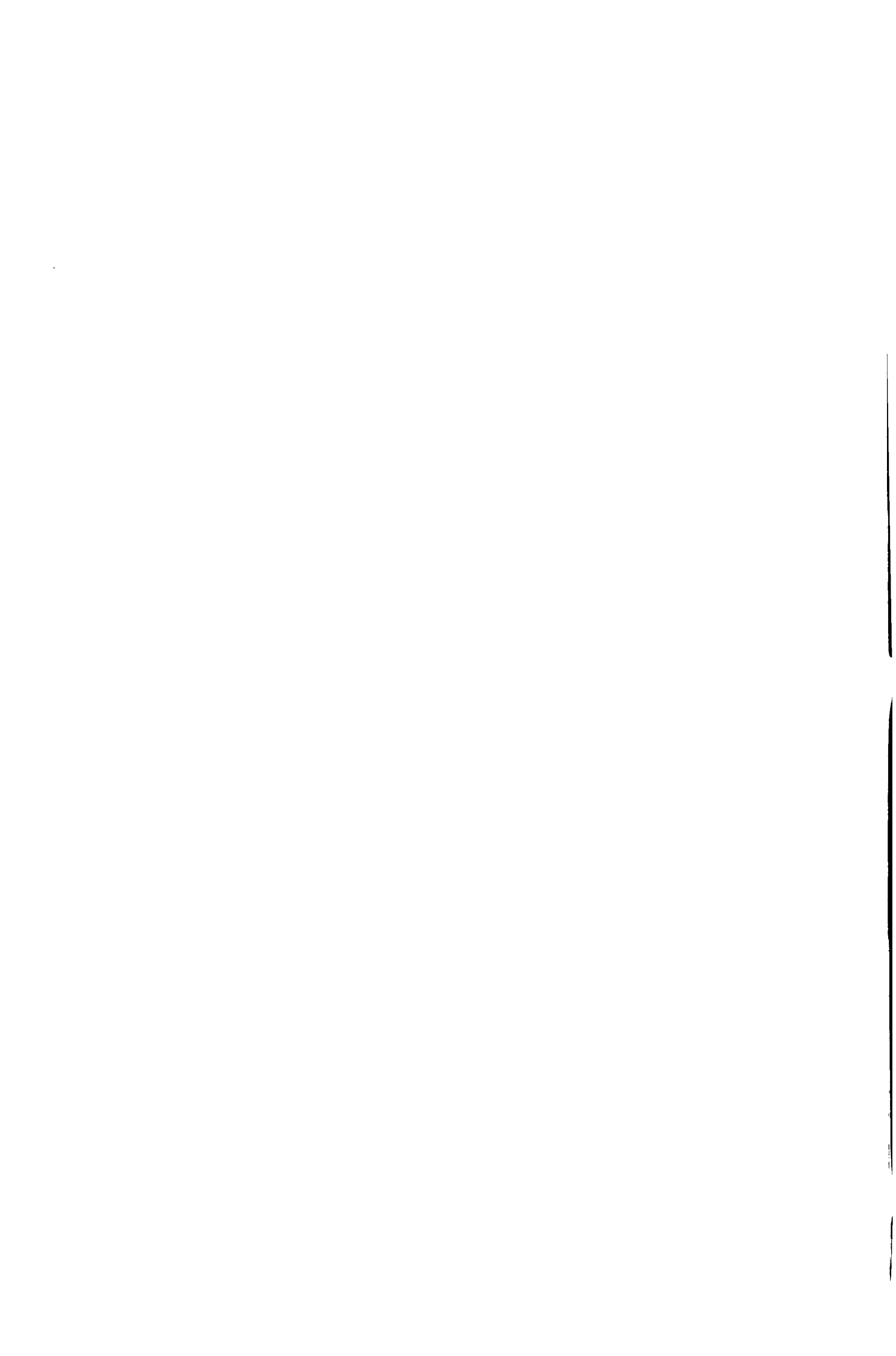
REPORT

drawn up on behalf of the Committee on Agriculture  
on Mediterranean agriculture and the problems of  
the enlargement of the EEC towards the South

Rapporteur: Mr G. SUTRA de GERMA

PE 75.211/fin.

1.2.8



By letter of 7 November 1979, the Committee on Agriculture requested authorization to draw up a report on Mediterranean agriculture and the problems of the enlargement of the EEC towards the South.

By letter of 15 November 1979, the committee was authorized to draw up a report on this subject. On 17 December 1979, the committee appointed Mr Sutra rapporteur.

It considered the draft report at its meetings of 10/11 November 1981 and 18/19 October 1982. At the latter meeting it adopted the motion for a resolution as a whole by 20 votes to 7 with 1 abstention.

The following took part in the vote: Mr Curry, chairman; Mr Sutra, rapporteur; Mr Blaney, Mr Clinton, Mr de Courcy Ling (deputizing for Mr Battersby), Mr Cronin (deputizing for Mr Davern), Mr Diana, Mr Eyraud, Mr Gatto, Mrs Herklotz, Mr Hord, Mr Howell, Mr Kaloyannis, Mr Kirk, Mr Ligios, Mr Maher, Mr Martin (deputizing for Mr Maffre-Baugé), Mr Mouchel, Mrs Pauwelyn (deputizing for Mr Delatte), Mrs Pery (deputizing for Mr Vernimmen), Mr Provan, Miss Quin, Mr Thareau, Mr Tolman, Mr Vgenopoulos, Mr Vitale, Mr Wettig and Mr Woltjer.



## CONTENTS

	<u>Page</u>
A. MOTION FOR A RESOLUTION.....	5
B. EXPLANATORY STATEMENT.....	17
I.    INTRODUCTION.....	17
II.   GENERAL CONSIDERATIONS.....	22
III.  THE PRINCIPAL CHARACTERISTICS OF PORTUGUESE AGRICULTURE.....	24
IV.  THE PRINCIPAL CHARACTERISTICS OF SPANISH AGRICULTURE.....	30
V.    THE SECTORAL PROBLEMS.....	31
- Fruit and vegetables	
- Citrus fruit	
- Wine	
- Olive oil	
VI.  AGREEMENTS BETWEEN THE COMMUNITY AND THE COUNTRIES OF THE MEDITERRANEAN BASIN.....	38
(A) The association agreements	
. Cyprus	
. Malta	
. Turkey	
(B) The cooperation agreements	
. Maghreb countries	
. Mashreq countries	
. Yugoslavia	
(C) Free trade and cooperation agreements: Israel	
VII.  POSSIBLE DEVELOPMENTS: EEC - MEDITERRANEAN THIRD COUNTRIES.....	50
VIII. THE IMPACT OF ENLARGEMENT ON NON-MEDITERRANEAN PRODUCTION.....	52
IX.   RESEARCH .....	56
(A) The constraints on Mediterranean production	
(B) What kind of research is needed for the Mediterranean regions?	
X.    CONCLUSIONS.....	68

.../...

	<u>Page</u>
<u>Annex_1</u> : Statistical information concerning the applicant countries.....	70
<u>Annex_2</u> : Volume of imports and exports of the countries of the Mediterranean basin from and to the EEC (1979).....	72
<u>Annex_3</u> : Value of imports and exports of the countries of the Mediterranean basin from and to the EEC (1979).....	73
<u>Annex_4</u> : Imports and exports of foodstuffs (1979).....	74
<u>Annex_5</u> : Imports of fruit and vegetables from the applicant countries.....	75
<u>Annex_6</u> : Statistical maps.....	76

A

The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on Mediterranean agriculture and the problems of the enlargement of the EEC towards the South

The European Parliament,

- having regard to Rule 102 of its Rules of Procedure,
- having regard to the report of the Committee on Agriculture (Doc. 1-785/82),
- A - having regard to the current negotiations between the European Community and Spain and Portugal on the accession of the latter two states to the Community,
- B - having regard to the Communication from the Commission to the Council on a Mediterranean policy for the enlarged Community (COM(82) 353 final),
- C - having regard to the report by Mr Ligios on the guidelines concerning the development of the Mediterranean regions of the Community together with certain measures relating to agriculture (Doc. 34/78),
- D - having regard to the report by Mrs Barbarella on agricultural structural policy (Doc. 1-824/79)
- E - having regard to the Commission's proposals on reforming Community arrangements for certain Mediterranean products (COM(81) 402 final, COM(81) 403 final, COM(81) 408 final, COM(81) 610 final),
- F - having regard to the report by Mr Maffre-Baugé on the changes to the common organization of markets in the fruit and vegetables sector (Doc. 1-279/82),
- G - having regard to the reports by Mr Colleselli on changes to the common organization of the market in wine (Doc. 1-680/80, Doc. 1-667/81 and Doc. 1-412/82),
- H - having regard to its resolution of<sup>1</sup> 19 November 1981 on the enlargement of the Community towards the South<sup>1</sup>,
- I - having regard to the association and cooperation agreements which the Community has concluded with a number of Mediterranean countries,

-----  
<sup>1</sup> OJ No. C 327 of 14 December 1981, p. 60

- J - considering that the accession of two new states will have repercussions on agriculture in the Community of the Ten, in particular on its Mediterranean agriculture, and that its effects will also be felt on agriculture in the two applicant countries and in Mediterranean third countries,
- K - considering moreover that enlargement towards the South will require the Community to review its trade relations with the Mediterranean countries as a whole,
- L - considering that enlargement is a means of consolidating democracy in Spain and Portugal; that, consequently, every effort must be made to ensure its success,
- M - considering the fundamental importance of agriculture in the economic activities of a number of Mediterranean regions of the Community,
- N - considering that the London European Council at its meeting of 26 and 27 November 1981 decided to take the problems of Mediterranean agriculture into consideration,
- O - considering that further enlargement must be such as to strengthen the Community as a whole; that, consequently, it must not be allowed to aggravate the existing difficulties of the Mediterranean regions of the Community of Ten,
- P - considering, again in the spirit of strengthening the Community, that the essential regulatory procedure and production disciplines should be established forthwith for products likely to place a disproportionate burden on the Community budget, having regard to their share of the value of final agricultural production,
- Q - whereas in some notable cases it will be necessary to regulate imports of competing products rather than to provide assistance for the Community's Mediterranean products,
- R - considering that any improvement in guarantees for Mediterranean agricultural production must not result in a disproportionate burden on the budget; that, consequently, those market organizations that depend on excessively costly instruments must be reviewed, since no discrimination can be tolerated in a democratic Europe.
- S - whereas the improvement of guarantees for Mediterranean agricultural products will involve a revision of the market organizations for those products,

General considerations on the enlargement of the Community towards the South

1. Stresses the weaknesses inherent in Mediterranean agriculture, attributable in particular to:
  - (a) the nature of certain Mediterranean products, often highly seasonal and perishable, so that even transient difficulties on one market can wipe out the results of a year's work for the producers concerned,
  - (b) the difficulty of stocking certain products, making markets highly sensitive to supply and demand variations,



- (c) inadequate, or even non-existent, producer organizations in certain sectors and regions and a weak cooperative system in certain sectors, preventing this market instability being alleviated,
  - (d) the inadequacy of Community rules for typical Mediterranean products as regards guarantees, crisis prevention and Community preference,
  - (e) agricultural structures poorly adapted to modern agriculture (small land areas, fragmentation), often as a result of perennial crops that are difficult to change, and a historical, human and cultural heritage that must be given its rightful place,
  - (f) the inadequacy of the technological effort that has been applied to the specific problems of agriculture and the agri-foodstuffs industry in these regions;
2. Also recalls the natural difficulties confronting the Mediterranean regions such as the geographical relief, soil types, water supply and the very changeable climate (heat, cold, wind); notes that natural difficulties in the more Northern regions have been overcome by the application of technology, a development that has not been matched in the South of the Community;
  3. Stresses the importance of the agricultural sector in the two applicant countries, and in the Mediterranean regions of the Community and third countries;
  4. Stresses the economic and social disparities as between agriculture in the applicant countries and in the Community, as well as disparities between the technical and structural levels of the respective agricultures;
  5. Recommends in consequence a firm approach during accession negotiations to ensure that candidate countries
    - (a) will immediately adopt, with a view to their accession, existing Community disciplines and those resulting from adaptation of Community arrangements;
    - (b) will refrain from encouraging their farmers to step up output in sectors where the Community is already experiencing difficulties in ensuring market balance and guaranteeing incomes, even if it is necessary to improve agricultural incomes in the their countries;
  6. Considers in particular that investment incentives, new irrigation projects and the introduction of more intensive production techniques should be rigorously controlled in the case of surplus products and encouraged in the case of those in short supply;
  7. Recommends to this effect that the Commission be authorized to inform the Spanish authorities forthwith of the concern aroused by the use of irrigated areas and to propose joint consideration of the possibility of earmarking such land, not for sensitive products (fruit and vegetables, wine, olive oil), but for crops in short supply, with the aim of reducing agri-foodstuffs dependency both in Spain and in the Community of Twelve;

8. Also recommends that the applicant countries should have time to adapt their agriculture to the new conditions of competition that will result under Community rules from the elimination of customs barriers;
9. Recommends in addition that, before accession, Portugal and even Spain should, with Community help, increase their scientific and technical activities in the agricultural sector to bring them more into line with the Member States in this area;
10. Considers that an appropriate transition period must be provided for the two applicant countries having regard to the nature of their respective types of agriculture, this transition to take place in varying stages, depending on the approximation of rules and conditions conducive to fair competition;
11. Considers that real negotiations must be initiated on the most important and sensitive issues, in particular agriculture; formally declares that the Accession Treaty must lay down fundamental rules precluding any regrettable cycle of permanent renegotiation after the definitive accession of the applicant states to the Community;
12. Affirms the absolute need for adaptation, before accession of the two applicant countries, of Community arrangements concerning Mediterranean agricultural products, so as to prevent agricultural activity from being called into question in regions of the Community that are already put at a disadvantage by existing rules, and to secure for those engaged in agriculture in these regions guarantees comparable to those available in other regions of the Community, so as to comply with the objectives of Article 39 of the EEC Treaty; Asserts the need for rapid action to halt the present growing disparity between the incomes of those engaged in agriculture in different regions of the Community and to bridge the gap which has arisen between this sector and other sectors;
13. Believes that the reform of the CAP should not delay the accession negotiations which must aim to make Spain and Portugal full members of the Community at the earliest possible date;

As regards specific measures for each product

Fruit and vegetables

14. Points out that the problems of adapting the Community arrangements in the fruit and vegetables sector were the subject of a resolution adopted by this Parliament on 16 June 1982 (Maffre-Baugé report - Doc 1-279/82);
15. Requests that the principle should be laid down that all fruit and vegetables produced in the Community should benefit from the marketing standards, price and intervention arrangements and exchange-rate arrangements provided for in Regulation (EEC) 1035/72;
16. Calls on the Commission to submit a proposal for a regulation on potatoes as soon as possible;
17. Welcomes the Commission's intention to step up incentives to producer groupings and enlarge their scope, possibly by extending existing standards to non-member producers;

18. Affirms that, in the case of fruit and vegetables, the cooperatives should be helped to play a significant role in this sector in terms of packaging, processing and storage, and the agricultural community enabled to play the fullest possible role in the chain of distribution between producers and consumers;
19. Calls for the list of products eligible to benefit from Community intervention to be extended, and for minimum prices to be observed in intra-Community trade;
20. Calls for the establishment of a fruit register for all perennial crops, region by region, under the responsibility of regional economic committees with effective Community monitoring; considers that this indispensable information mechanism will serve as a guide for production, helping to eliminate chronic surpluses and destruction of produce;
21. Calls for the implementation of regional crop plans for annual vegetable crops, under the same conditions as set out in the preceding paragraph of this resolution of perennial crops;
22. Considers that coordination of these information systems at Community level should provide for voluntary restraint on surplus production, as in the case of Limonera pears and, more recently, lettuces;
23. Urges that the reference price mechanism, which should be extended to other products, be made more effective and more rational;
24. Considers that there is a case for establishing marketing calendars to take account of the regional character of fruit and vegetable production, and to prevent prices collapsing in certain regions of the Community even though there is global Community demand;
25. Approves the Commission's intention to allow withdrawals to become operative at the initial selling stage, as soon as prices are seen to be collapsing on the wholesale markets; asks for this option to be made applicable to a larger number of products and to be accompanied by arrangements to prevent a crisis peculiar to a single Member State or a single region from becoming generalized throughout the Community;
26. Considers that with an appropriate, strengthened agri-foodstuffs industry it should be possible to eliminate much of the destruction of fruit and vegetables (withdrawal from the market) which damages the image of the Community in European public opinion;

Notes that these withdrawals occur when bulk freezing capacity has been saturated; therefore requests that rapid multi-purpose (fish, fruit, vegetables, etc.) refrigeration plant be adequately financed, in particular at the level of the cooperatives;

Hopes that this action will allow the work period of the processing industry to be extended, thereby ensuring improved stability of employment;

27. Stresses the need to base agriculture on natural conditions of production; calls therefore for an end to subsidies to maintain production under glass in the North of Europe, disregarding sound economic considerations; welcomes, in this connection, the latest proposals

from the Commission, and hopes that they will be implemented as soon as possible;

28. Calls on the Commission to tackle the problems of the relationship between production and consumption and, in particular, the problem of distribution, which is of crucial importance for the fruit and vegetables sector;

#### Citrus fruits

29. Calls for the marketing premium mechanism to be reviewed and strengthened for the category of blood oranges and clementines;

Also considers it necessary to provide for an increase in the premium in the case of typical products of backward regions and islands to allow for higher transport costs;

30. Calls for further renewal of citrus orchards by changing to different varieties, to ensure that production is always best adapted to climate and consumer demand;

#### Wine

31. Points out that the problems of adapting the Community arrangements in the wine sector were the subject of a resolution adopted by this Parliament on 9 July 1982 (Colleselli report - Doc. 1-412/82);

32. Calls for the establishment of a forward management system relying on plantings and output being frozen at their present levels;

Asserts that these requirements must be imposed forthwith on the applicant countries and member countries alike so as to ensure that production in these countries does not create long-term imbalances on the Community market;

33. Considers that current storage policy, renewed in 1980 for three years, has improved the situation on the market and brought better budgetary management; affirms, consequently, that short-term and long-term storage aids, together with the performance guarantees and authorization to use substitutes, must be maintained and are one of the bases of Community wine policy;
34. Considers that wines should be enriched solely by the addition of grape-based products; advocates in this connection the use of rectified and non-rectified concentrated musts;
35. Notes that aid for the destruction of wine involves one million hectolitres of pure alcohol per annum on average, which is equivalent to the total alcohol content of wine resulting from the addition of sucrose;
36. Calls on the Commission, therefore, to draw up a regulation in the medium term banning this practice and providing instead for the use of concentrated musts together with further Community aid as provided for in Article 14(a) of Regulation (EEC) No. 337/79;

37. Urges also that consumers be informed of the source of enrichment and that the search for techniques to detect the addition of sugar other than grape sugar should be regarded as a priority by the Commission;
38. Renews its repeated requests for the introduction of an equitable tax on wine for the countries of the Community as a whole, and expects the rapid implementation of the decision of the Court of Justice prohibiting protectionism favouring beverages that compete with wine, by introducing equal duties on equal alcohol content;
39. Considers that the definition of rosé wine which it adopted in its opinion of 20 November 1981<sup>1</sup> on changes in the common organization of the market in wine must rapidly take regulatory effect;
40. Requests that the concept of 'wines suitable for use as table wines' be prohibited, and that these wines, that are inherently inferior, shall under no circumstances be allowed to be offered for sale to consumers; considers that the very existence of the concept of 'suitable wines' should be regarded as an open invitation to fraud;
41. Hopes that new beverages based on the grape and with a very low alcohol content will be encouraged, both by research aid and fiscal marketing arrangements;

#### Alcohol

42. Stresses the need to establish a common organization of the market in ethyl alcohol of agricultural origin, since distillation is often the only means of balancing the markets in specific Mediterranean products such as wine; points out that wine-growing countries have until now had to find outlets for the alcohol produced in this way at their own expense, whereas other surpluses are covered at Community level;

#### Olive oil

43. Stresses that the problems concerning the adjustment of Community arrangements in the olive and olive oil sector will be the subject of a report and accompanying resolution which this Parliament will be called upon to adopt on the basis of the Commission proposal covering this sector;
44. Points to the serious problem that Spain will pose for the Community budget if olive oil consumption fails to rise within the Community or falls significantly in Spain owing to competition from imported products; calls for efforts to promote the consumption of olive oil, particularly in regions of the Community where consumption and consumer awareness of olive oil are low;

-----  
<sup>1</sup>OJ No. C 327 of 14 December 1981, p. 111 - Doc. 1-667/81 - Rapporteur:  
Mr Colleselli

45. Considers it essential that the system of aid to producers be maintained, that the basic Community regulation governing the olive and olive oil sector be revised and that steps be taken to modify the relative prices of olive oil and seed oils within the Community in order to promote increased consumption;
46. Calls for the adoption of specific measures designed to bring about the restructuring of the Community olive sector and reduce production costs, without which the adoption of a different relative price system could prove inadequate;
47. Calls for a levy to be imposed on oils and oleaginous vegetable and animal products whether of Community origin or imported, and whether ready-processed or intended for processing within the Community and for the revenue from this levy to be refunded to the developing countries;

Considers that this refund should total 100% for the ACP states or the LDCs (least-developed countries); urges, therefore, that the Community's policy on oils and fats be integrated with the Commission's food strategy programme with a view to promoting agriculture in these developing countries;

48. Calls on the Commission to conduct an immediate study of ways and means of detecting the blending of different oils now causing an artificial glut on the olive oil market and for adequate monitoring arrangements to be taken to ensure that olive oil imported into the Community has not been blended;

Considers that the Commission should be authorized to submit a memorandum on this subject to the Government of the United States, where olive oil consumption is far from negligible and strict standards are applied to food products, but where the practice of blending with less expensive oils is widespread, as a means of increasing Community export potential;

#### Table olives

49. Considers it essential for a regulation on table olives to be established on a separate basis from Regulation (EEC) 136/66 on the common organization of the market in olive oil;

#### Tobacco

50. Asks for the Commission to be given a mandate to study the Community deficit in tobacco production, estimated to run to 400,000 tonnes, and to direct production towards the varieties most in demand (Virginia), thereby providing some of the most disadvantaged regions with an activity that could occupy more than 200,000 hectares of land and provide a livelihood for 100,000 families;
51. Considers it essential that Spain respect specific principles such as the freedom of trade and tax harmonization which are essential for the extension of the support system to that country's production;

52. Calls for the Community preference to be applied and for the derogations to be reserved for the ACP countries for which this is an important resource (Malawi, Zimbabwe, etc.);

#### Sheepmeat

53. Urges that great attention be paid to aids for certain types of livestock farming and, in particular that special protection be provided for the sheepmeat market in view of the social, ecological and economic role of this product in the Mediterranean regions;

#### As regards Mediterranean forests

54. Believes that Mediterranean forests must be protected and conserved, and that a large number of zones could be put to good use in an extensive programme of reforestation, a programme which is currently underway in the Community of Ten and which should be extended;
55. Stresses that Mediterranean forests as a whole may fulfil an ecological function in protecting the soil and play an aesthetic and recreational role and, at the same time a productive role either as timber or for industrial purposes;
56. Considers, in these circumstances, that forestry techniques should be adapted for these three purposes and that the large-scale reforestation programme currently in progress should be extended while fire-prevention techniques are improved and implemented, as these are more effective and less costly in the long run, albeit less spectacular;
57. Considers that the rearing of sheep, cattle and goats offers possibilities for using areas which are being abandoned, for example heathland, scrub and forests, and, at the same time, is an effective way of preventing fire in these areas;

#### As regards other problems

58. Considers that the opening of frontiers to countries where epidemics have not been successfully combatted to the extent achieved in the Community makes it necessary to conduct appropriate studies and programmes; stresses that the problem of transhumance merely increases the need for such studies and programmes;
59. Considers it urgently necessary to establish a Community fraud squad;

### As regards structures

60. Calls for the structural problems of the Mediterranean regions of the Community to be tackled through integrated development programmes;
61. Calls for Regulation (EEC) No. 355/77<sup>1</sup> concerning common action to improve conditions of processing and marketing for agricultural products, and Regulation (EEC) No. 1361/78<sup>2</sup> amending the above regulation in favour of the Mezzogiorno and Languedoc-Roussillon, together with certain other French regions, to be renewed on their expiry for at least five years, with a substantial increase in financial resources based on the conditions in force when this regulation was adopted;
62. Considers, having regard to enlargement, that allocations to the Community structural funds (EAGGF - Guidance Section, ERDF) and the Social Fund should be stepped up; to this end, stresses the need to exceed the 1% VAT ceiling; stresses moreover that these funds must be applicable to the Mediterranean regions as a whole;
63. Calls for particular attention to be paid to the problems of water supply, and for irrigation work to be carried out with due regard to the impact on the environment;
64. Calls for parallel development of infrastructures to alleviate working conditions in agriculture and improve yields;

### As regards training

65. Considers it essential to improve training facilities in the Mediterranean regions of the Community, especially in the poorest areas;

### As regards research

66. Recommends an intensive effort in the field of scientific and agronomic research in the Mediterranean regions to allow the development of a modern agriculture having access to specific technologies, as opposed to the more or less fortuitous transposition of techniques developed for the North of Europe or the United States;
67. Calls for contacts between scientists at European level to be opened immediately to Spanish, Portuguese and third-country experts with a view to the rapid creation of a 'European Scientific Community for the Mediterranean Basin', the Community being called on to play a catalyzing role in the various initiatives and to promote less expensive and more effective information and action than the action launched following readily foreseeable disasters;

<sup>1</sup> OJ No L 51, 23.2.1977

<sup>2</sup> OJ No L 166, 23.6.1978



68. Urges that the 1984-1988 programme for the coordination of agronomic research contain instructions to the Committee for the Mediterranean Agricultural Programme to encourage this revival of scientific research and that it be allocated appropriate financial resources and staff to carry out this task;
69. Considers that this programme should concentrate as a matter of priority on products in short supply which can be used as an alternative to those in surplus;
70. Suggests in connection with products in short supply that attention be paid to proteins and oils, cereals (durum wheat, sorghum), seeds which are known to be naturally suited to the Mediterranean area, dried fruit, bright tobacco, livestock production in marginal areas and forestry;
71. Suggests, in connection with technical problems, that attention be paid to perfecting crops under glass, using the sun as the main energy source (heat and ventilation), perfecting irrigation methods which require little water and investment, the biological fight against epizootic and epiphytic diseases, crop systems tailored to the particular economic and technical constraints, and production techniques (nitrogenous fertilization, soils and salt water);
72. Suggests that overall studies on rural development would make it possible to bring together knowledge acquired in specific areas and assess the impact of the simultaneous application of what has been learned in each of the areas;

As regards relations with third countries

73. Stresses that enlargement, which can be a means of bringing all the countries of the Mediterranean together, must be a factor for peace and stability;
74. Demands that the ACP States be consulted in accordance with the LOME convention;
75. Calls for measures to compensate the declining export possibilities for the countries of the Mediterranean in the Community;

76. Calls for a review of Mediterranean fisheries policy and of fisheries agreements with Mediterranean countries;

o

o

o

77. Instructs its President to forward this report to the Council and the Commission of the European Communities, the Spanish and Portuguese Governments, and the governments of Mediterranean third countries with which the Community has ties under different agreements.

'Only a surplus of food liberates man from the fear of death and raises him above the struggle for survival. Without granaries there can be no libraries; without the accumulation of grain, there can be no accumulation of knowledge'.

- Régis Debray - 'LE SCRIBE' -

- genèse de la politique -

(Grasset 1980)

B

#### EXPLANATORY STATEMENT

##### I. INTRODUCTION

1. Mediterranean, Europe - two words which have forever been linked in our minds. Two words which were once universally linked because one region was created by the other and because together they represented the cradle of our civilization.

Yet today they denote conflict and have come to signify war and confrontation. Today, as a result of two centuries of change, Europe is seen only to be coextensive with Northern Europe. The problem of Mediterranean agriculture raises the problem of our common heritage, the problem of a genuine return to our common origins.

-----

2. The Mediterranean triad: a Western Empire, an Eastern Empire and Islam, which can trace their common culture back to the tradition of Abraham. Yet, despite the passage of hundreds and thousands of years, the old deep-rooted conflicts are re-emerging.

The Western Empire was Rome. It was Rome which recently gave us our founding Treaty, and it is Rome, therefore, which continues to be the hub of our western civilization.

From the very beginning, the Community has included a part of the Mediterranean world - Italy and southern France.

With the accession of Greece, it is Europe's flank on the eastern Mediterranean, a part of the East perhaps, which is entering the Community.

Throughout the ages Spain has always reflected several aspects of these predominantly cultural rather than political developments. Without wishing to carry these comparisons, which are based on the ideas of Fernand Braudel<sup>1</sup>, beyond a reference to history which is always present among us, it should be noted how rapidly the union between the Eastern and Western Empires came about and, conversely, how serious will be the problem posed by Spain's accession to the Community.

Our determination to overcome them must be made clear to all, as clear as our firmness to resist the breaking of commitments, the temptation to take short cuts and the making of demagogic promises. Even if carefully

planned and approached with all due seriousness, the enlargement of the Community to include Spain will be a hard task and difficult to achieve. If we adopted a complacent attitude, hoping that time alone would suffice to iron out all the difficulties, we would undoubtedly be courting disaster.

In a word, the enlargement of the Community to include Spain will not be easy. It will be through our own endeavours - for nothing in history is left to chance - that it will become acceptable or unacceptable at the economic level, irrespective of the political advantages that might be perceived.

Islam is demanding new relations, based on mutual respect and understanding, full and complete acceptance, recognition of the identity of each individual, of its past historical and cultural grandeur and of its right to the present. Although so near, Islam continues to be unknown and misunderstood by us. Can we at last succeed in forging relations which are not based on fear and domination?

3. When Magellan and Columbus opened up the oceans, the Mediterranean appeared to shrink to the size of a lake, and Venice was forced to relinquish its financial supremacy to the conquistadors with their new-found wealth. With the rise of Japan and China, the economic birth of South-East Asia, has there not been a tendency for the United States increasingly to look to its own Western interests?

Is the Atlantic Ocean likewise becoming a 'mare nostrum', an internal sea? Does not a treaty bear its name?

The misgivings harboured by the Old World and the legitimate questions asked by the economists all seem to be justified by trends in the volume of trade: the world centre or, at all events, one of the world centres of gravity is moving away from us.

Four centuries ago the focus of interest shifted from the Mediterranean to the Atlantic. Will it finally settle on the Pacific? To allow it to do so would be to acquiesce in the decline and fall of the Old World.

4. Yet it will be around this ancient sea - the Mediterranean - which has shrunk so small, that the struggle will take place to achieve world peace in the closing years of this century. Will Europe permit, or not permit, the greed of the two superpowers to unleash the final holocaust in this area, a victim of its failure to make its voice heard in world affairs?

Can the present challenge help Europe towards self-realization? The importance of the task, its difficulty and its magnitude, compel us to succeed, since otherwise we would flounder and then run the risk of being excluded from among those who will have the power to influence the march of contemporary events.

In terms of a global European strategy, the accession to the EEC of the existing candidates can have two diametrically opposed results. It may either cause the Mediterranean countries to be dominated once and for all by northern Europe or else result in a somewhat healthier balance between South and North.

Such a balance is essential to the Mediterranean policy which Europe must implement and which is so vital for world peace. It requires a commitment to resolve all the attendant economic, cultural and social problems.

5. There can be no question of simply imposing acceptance of the Community's present achievements on the candidates for accession. We must reappraise these achievements and seek to identify the omissions and shortcomings. Europe will be capable of enlarging its frontiers only if it can accept internal change.

The choice before us is not limited to whether we should have two extra members in the Community.

The real question is to establish how we propose to integrate them, into what kind of Europe and according to what rules.

A larger Europe with greater justice is possible. But there can be no guarantee that it will come about.

If we are to face up to all the implications of the present applications for membership, we must first consider the existing situation:

The industrial structure of the region is very weak compared to that of the Manchester - Hamburg - Frankfurt - Paris quadrilateral.

It goes without saying that the growth of industry in this region is essential. We ourselves are in the middle of a recession, which can hardly help. Even so, we must start by taking account of the fact that, with the exception of a few small but key areas, the region lacks a viable industrial base.

Tourism will never be more than an ancillary industry, very important to the region's balance of payments, but it will do next to nothing to create stable jobs and produce wealth.

6. We must therefore begin with an assessment of the region's strength, which lies in its agriculture and energy, the only really viable economic sectors.

- If we are to succeed in extending the process of European integration to the northern shores of the Mediterranean, we must first make a success of the Mediterranean provisions of the CAP. This is a problem we have yet to tackle.

- If we are to succeed in creating a Europe that is open to the countries lying on the Mediterranean's southern shores, we must first maintain or create the necessary balances in the agricultural sector and then make good the serious deficiencies in the agri-foodstuffs sector.

- If we are to succeed in establishing a global policy applicable to the countries lying on both the northern and southern shores of the Mediterranean, we must first find ways of controlling competition and of creating complementarity.

These three objectives are the subject of this working document. The magnitude of the task has been made even greater by the mistakes we have made so far. We must correct these mistakes before we can address ourselves to the task of building the future.

7. The applications for accession by Greece - now a full member - Portugal and Spain testify to the total disappearance of fascism from the Territory of Europe. Under the terms of the Treaty of Rome, only countries which are both European and run on democratic lines are entitled to become members of the Community. At the risk of renouncing their formal written undertakings, all those which, at one time or another, have recognized and accepted the Treaty of Rome cannot therefore oppose the principles enshrined in it. This is something of which all democrats should feel truly proud. The only problem that remains - and it is a very real problem - concerns the detailed rules, the content, of the treaties of accession. It is the aim of this report to consider this problem in the clearest possible light and to prompt a fresh look at all its manifold aspects.

8. The European Agricultural Guidance and Guarantee Fund (EAGGF), which finances the CAP, needs a third section: one which will enable producers themselves to control the markets. As for the Guarantee Section and the Guidance Section, the first finances the price support policy and must be maintained, while the second finances the structural policy and must be amplified.

The third section will ensure that our rules are consistent with the terms of trade and that our aid and the determination, actions and tenacity of the agricultural sector are not invalidated by a few speculators to the detriment of consumers and producers alike.

Such rules, the cooperative movement, respect for the distributive role of the trader, the repudiation of bureaucracy and a changed and revitalized market economy are essential if we are to reconcile legislation and trade; if we fail to do so, we shall simply end up with nothing.

The CAP, likewise, cannot survive without change: after all, evolution is a law of nature.

9. It is not, then, simply a question of bringing two extra members into the European Economic Community. If they are to become genuinely integrated, our Community must itself undergo a process of change. That has now become a commonplace. But we should add that such change - if truly desired, accepted and endorsed - is the only means by which we can become united and create a Europe faithful to its manifold origins. Our first task must be to achieve reconciliation among ourselves, to bring together what each and every individual can contribute towards the creation of a better world.

The world expects this reconciliation to be achieved by the old Europe, and by it alone. The Europe of old and the Mediterranean of old have still a part to play, precisely because we live in a world in which we are attracted more by conflict than by the pursuit of mutual understanding. Between unbridled liberalism and rigid bureaucracy we must preserve the great ideal that alone can bear witness to the strength, dynamism and creativity of our thoughts and actions.

As Heraclitus declared 25 centuries ago, discovering the one God in the harmony of opposites: 'The most perfect harmony is the product of conflict: everything is born of confrontation'.

Can we expect too much from the 'Just Law', Roman Law, which is rooted in the Roman or Greco-Roman world?

The reconciliation of Mediterranean Europe and Anglo-Saxon Europe, i.e. the reconciliation of law and trade, entails nothing less than the reconciliation of our shattered modern world.

## II. GENERAL CONSIDERATIONS

10. The enlargement of the Community to include Greece, Spain and Portugal raises serious problems for the future of the common agricultural policy of the European Community.

Of the professional categories most affected, the farmers in the Mediterranean regions of the Community are the ones who face a grave threat to their livelihood from enlargement.

Agriculture is the sector most directly concerned, first because of the importance of the common agricultural policy in the building of Europe and in the Community budget, and secondly because of the relative importance of agriculture in the economies of the two countries mentioned above, and in the Mediterranean regions of the EEC, Italy, South-East France and Greece.

A few figures will illustrate the point: the transition from an EEC of 10 to one of 12 will mean an increase of only 17% in the population and thus in the number of consumers; the number of farmers, on the other hand, will increase by 41% and the utilized agricultural area by 31%.

11. Greece has been a member of the Community since 1 January 1981 and more or less acceptable solutions have been found for integrating that country and its agriculture gradually into the Community economy. We shall consider later whether the negotiations conducted with Greece, and particularly the compromises reached, can give us food for thought for the negotiations under way with the two other applicant countries as well. Be that as it may, the author of this report has thought it necessary, in certain cases, to call attention to the position of Greece (particularly where statistics are given) to illustrate the problem which a further enlargement towards the south will create for the Community.

12. Portugal does not pose a grave threat to Community producers. Its productive potential is fairly limited and its production structures, which are rather archaic, will require a real demonstration of solidarity on the part of the Community. Most of its products however (with a few exceptions) are not at present able to compete with Community production at the present time. If Portuguese agriculture is to make some progress, we should be thinking now of guiding it so as to avoid extreme competition in respect of sensitive products.

13. Spain is a completely different case. When the Community producers express keen concern about their future, they are thinking mainly of this country. Its productive and commercial structures, the development potential of its agriculture once it is integrated into the price mechanism and the guarantees of the common agricultural policy, represent so many threats to the Community producers of the Mediterranean regions. We shall see in detail later the problems arising for the various products and the possible solutions.



14. However, before beginning this detailed examination, it is necessary to point out to the members of the Committee on Agriculture the basic problems raised by enlargement and ask them to consider the possible options:

- (a) it must first be decided whether the accession negotiations, as in the case of the first enlargement and in the case of Greece, should simply aim at imposing the 'acquis communautaire' on the applicant countries, or whether they should lead to a needed revision of the current machinery of the common agricultural policy<sup>1</sup> and, if so, to what extent;
  - (b) it must then be decided whether the common agricultural policy and its basic principles (Community preference, unity of prices, financial solidarity) can withstand the impact of enlargement, or whether the heavy financial burdens and the almost insurmountable difficulties which will certainly arise in the decision-making process (functioning of the Council of Agricultural Ministers) will lead to an acceleration and aggravation of the various disruptive factors, some disturbing evidence of which is already apparent;
  - (c) it must also be considered to what extent the Member States are prepared to bear a financial burden which is difficult to assess, but undoubtedly very considerable, resulting from three factors:
    - need to improve the production and marketing structures of the applicant countries and to speed up the development of certain regions (EAGGF Guidance, Regional Fund, Social Fund);
    - need to assist the Mediterranean regions of the present Community to withstand the impact of the increased competition from the applicant countries;
    - need to provide financial compensation in one form or another, particularly to redirect certain types of production - especially in the Mediterranean area - where there is an imbalance between production and consumption, as is the case with olive oil, the consumption of which has fallen in Spain in particular;
- In any case, the 1% of VAT ceiling will have to be exceeded and undoubtedly by a large margin;
- (d) finally, it has to be considered to what extent agriculture and the actual economies of the applicant countries can withstand Community competition in certain key sectors (stock-farming, fodder, cereals) which will be accompanied by a significant increase in wages and social changes in the agricultural sector, and adapt without too much difficulty to the common agricultural policy, in particular the Community preference rule, which results in a substantial rise in the cost of imports from third countries.

-----  
<sup>1</sup>The Commission has suggested adjustments to the Community arrangements for wine, fruit and vegetables and olive oil.

These are some of the fundamental questions which must be raised when discussing enlargement. The purpose of the present working document is to consider whether there are solutions and what price must be paid to arrive at them.

### III. THE PRINCIPAL CHARACTERISTICS OF PORTUGUESE AGRICULTURE<sup>1</sup>

15. Portuguese agriculture may be described by reference to three factors:

- (a) the extremely high percentage of the labour force employed in this sector (30% of the total working population, that is, more than in any of the ten EEC countries and more than in Spain);
- (b) a growing deficit in the agricultural trade balance, a trend which began in the 1970s;
- (c) the very high level of consumer expenditure on foodstuffs, which account for 50% of total outgoings (this figure is also higher than in all the other countries under consideration).

There are a number of reasons for this situation:

- (a) the decrease in the rate of emigration in the 1970s together with the repatriation of more than half a million colonists, many of whom have found employment in the primary sector;
- (b) the fact that it is taking a very long time to modernize Portuguese agriculture (production, processing and marketing structures);
- (c) the increase in the population and the simultaneous growth in per capita income which means greater demand, in both quantitative and qualitative terms, for foodstuffs, some of which are more or less unobtainable in Portugal.

16. The natural environment (climate, relief and soil) is basically unfavourable to agriculture. The north of the country has better climatic conditions, but the terrain is in many places more uneven than in the south, where the existence of vast plains is, however, countered by the dry climate and poor terrain.

The extremely large number of farms (more than 800,000) fall into two major groups. The vast majority (around 650,000) comprise fewer than four hectares and include 300,000 of less than one hectare. Most of these holdings, which are farmed by their owners, are in the north.

---

<sup>1</sup> Based on a working document by Mr Ligios on the agricultural implications of the accession of Portugal to the EEC (PE 73.575) - European Parliament Delegation to the Joint Committee of the European Parliament/Assembly of the Republic of Portugal.

Then there are 4,000 large farms based on an estate system and covering more than a hundred hectares. Most of these are in the south. The group of 650,000 farms accounts for only one fifth of the total agricultural area, while the 4,000 estates account for more than two fifths.

In these circumstances, the agrarian reform which began in 1975 has had some effect in the south, where attempts have been made as far as possible to maintain the size of the farms while handing them over to farmers' cooperatives. In the north, however, the fragmentation (or rather splitting-up) of the land and the increasing age of the farmers, together with an extremely low level of education (either technical or socio-economic) have prevented any structural improvements (re-apportioning the land, utilization of mechanical means, cooperation).

The public authorities have nevertheless attempted to take measures wherever possible, in particular by:

- encouraging cooperative farming,
- developing the spread of agriculture,
- assisting young farmers (installation),
- improving infrastructures (irrigation, etc.),
- introducing an accounting system.

This task has been assisted in particular by the establishment of a Ministry of Agriculture which until 1974 was simply a department of the Ministry of the Economy.

17. Like the other Mediterranean countries, the volume of vegetable products in Portugal exceeds that of animal products in a ratio (59% : 41%) which is the reverse of the situation in the EEC. According to the most recent available statistics (1979) concerning the level of self-sufficiency in agricultural foodstuffs, the country has a deficit in beef and veal (86% self-sufficiency), potatoes (97%), pigmeat (95%), butter (67%) and, in particular, cereals (43%) for both human consumption (wheat: 59%) and fodder (maize: 27%).

Portugal is self-sufficient in poultry, eggs, olive oil and citrus fruit and it has a slight surplus in sheepmeat (104%) and a substantial surplus in wine (122%), which represents one of the very few profit-making items among Portuguese agricultural exports.

Both sugar production (4% self-sufficiency) and tobacco production are virtually non-existent.

To complete the production picture, brief reference should be made to the yields (100 kg/hectare in 1976), which are alarmingly low in comparison not only with the EEC average but also with Spain:

	Portugal	Spain	EEC average
Wheat	8.7	16	35
Barley	5.9	16.7	33.6
Maize	12.3	35.8	48
Rice	29.6	63.4	38
Potatoes	96	145	210

Given this structural situation, it is not surprising that in recent years the annual average rate of growth in the gross agricultural product has been minimal (around 1%) and that there was even a negative growth rate between 1970 and 1977.

Since the rest of the economy has experienced a different growth rate, between 1960 and 1976 the share of the gross agricultural product in the gross domestic product fell from 26% to 14%.

18. Separate mention should be made of forests, for two reasons: firstly because they play a decisive role in the Portuguese economy (forests account for 33% of the total land area), since the surplus in forestry production nearly balances the deficit in agricultural production, and secondly because Portugal would be the only country in a Europe of Twelve with a positive trade balance in the timber sector.

19. Processing and marketing structures are inadequate in nearly every sector. In recent years the public authorities have encouraged the modernization of centres for the canning, processing, packing and marketing of fruit and vegetables and of packaging and distribution centres.

Government support takes the form of grants and interest rebates which are available to both individuals and producer groups.

The agricultural processing industry is characterized by two major defects - lack of diversification and outdated manufacturing methods. The only exception is the tomato sector, which has established a firm position on the European market.

A number of factors have favoured this development: firstly the climate and terrain (although tomatoes are grown only in certain areas of the south, cultivation continues virtually all year), which ensure a high yield and good quality, and secondly the influx of foreign capital, which has enabled processing structures to be modernized and marketing structures improved.

The result is conveyed by the statistics. As early as the beginning of the 1970s, exports of 'processed' tomatoes nearly equalled the volume of exports of all other fruit and vegetables.

(in tonnes)

Product	1971	1972	1973	1974
Tomatoes	116	152	175	88
Fruit and vegetables	126	162	184	99

The major tomato processing factories (mostly producing tomato concentrate, that is, peeled tomatoes and unfermented pulp) have tried to increase their range of products (the employment season for tomatoes lasts only two months, from 15 August to 15 October), but they have encountered practical difficulties and the prospects are not encouraging.

There are two basic problems - lack of raw materials which can be tinned and processed (for example: peaches, olives), and, in the case of fruit, the high cost of importing sugar. The latter led to excessive production costs and neither was, nor is, balanced by a high technology industry capable of reducing processing costs to a minimum. Moreover, the need to rely almost entirely on exports presented too great a risk for Portugal. There is thus no point in pushing the agricultural processing industry beyond a certain point, and Portugal prefers to concentrate on those agricultural sectors with the largest deficits (maize, meat, milk, sugar).

20. The combination of a subsistence agriculture and a growing deficit in agricultural foodstuffs was bound to have repercussions for the consumer, given that the general economy was still weak. Expenditure on food is around double the EEC average and accounts for exactly one half of the Portuguese consumer's total outgoings.

Consumer tastes seem to have changed over the last ten years. There has been an increase in the consumption of beef and veal, milk and dairy products and beer and margarine, while that of sheepmeat and fats (except for margarine) has declined. The Portuguese have slightly different tastes from the EEC average. For example, they consume more rice, potatoes, oil, wine and fats and less wheat, sugar, fresh fruit, meat and milk and dairy products. The consumption of fish is higher than in any other European country.

21. In the three years 1962-1965 agricultural exports accounted for more than a quarter of total exports (the exact figure was 26%). Ten years later the share of agricultural exports had fallen to 16% and, by 1979, to 14.3%. Imports

have followed the opposite trend, increasing from 14% to 17.3% (reaching a peak of 19% in the three-year period 1974-1976). The Portuguese agricultural trade balance has thus gradually deteriorated from a surplus of \$15 million in the period 1962-1965 to a deficit of \$632 million in 1979.

The main points are as follows. Firstly, and this is in Portugal's favour, the agricultural trade balance with the EEC was and still is in surplus<sup>1</sup>. The opposite is true of the United States with which Portugal has a permanent deficit in both its agricultural and its overall trade balance.

There are in fact only two key Portuguese agricultural exports, wine and tomato concentrate (which in 1978 exceeded 165 million EUA out of a total of 300 million, including 66 million EUA in fisheries products).

The principal imports are animal feedingstuffs, which in 1978 accounted for more than 200 million EUA (out of a total of 680). Imports of oilseeds and oleiferous fruit (114), wheat (75) and fish (45) were also extremely high, while the two products which Portugal lacks altogether, sugar and tobacco, accounted for expenditure of 54 million EUA.

There are also substantial imports of animal products (beef and veal: 18 million EUA, and milk and dairy products: 7 million EUA).

This brief outline of agricultural imports and exports may be completed by a number of comparative statistics relating to the Mediterranean region:

- the Portuguese agricultural deficit, which oscillates around 400 million EUA, is virtually the same as that of Spain (458 million EUA in 1977), a country which in the last twenty years has experienced much more rapid industrial development, where the percentage of the population engaged in agriculture is considerably lower (20% as opposed to Portugal's 30%), and which has four times as many consumers (Portugal: 9 million, Spain: 35 million).

A comparison between Portugal and Greece is perhaps even more revealing. They have the same overall population and virtually the same working population in the agricultural sector (30% and 28%), but in recent years the trend in their agricultural trade balance has been completely different. The Greek trade surplus is increasing year by year and totalled nearly \$300 million in 1977 (imports: 650 million, exports: 942 million).

22. Agricultural products are divided into two groups, 'controlled' and 'uncontrolled'. The first group comprises the most important products (cereals, meat, milk, olive oil, tomatoes, wine and potatoes). The second group includes products which are neither of vital importance for domestic consumption nor essential export items (fruit and most vegetables).

<sup>1</sup> In 1978 Portugal's agricultural exports to the EEC totalled 147 million EUA and its imports from the Community only 80 million EUA. However, its trade balance shows a deficit of 818 million EUA.

In the case of 'controlled' products, prices, subsidies and aids are fixed for each marketing year. Through the control exercised by the committees (Juntas), the government tries to guarantee a fair price for producers, controls the marketing network and grants aid to keep consumer prices at as reasonable a level as possible.

The whole trade system is subject to strict government control and is linked to domestic production trends. Imports in particular are subject to restrictions.

23. Trade between the EEC and Portugal, including trade in the agricultural sector, is based on the 1972 agreement, which granted Portugal a number of tariff concessions on certain agricultural products including wines, liqueurs (port, etc.), tomato concentrate and peeled tomatoes. Two supplementary protocols (1976 and 1979) have substantially improved the terms of the agreement for Portugal.

24. Portugal applied for membership in 1977 and the Commission delivered its opinion on the matter in 1978. A number of practical difficulties (including the not insignificant problem of analyzing Portuguese agriculture) have delayed the adoption of a position by the Community, which to date has still not made any statement concerning the agricultural sector.

The Commission has forwarded two communications to the Council (July 1980 and April 1981) and Portugal made its position known as early as 1980. The key agricultural aspects of the negotiations are basically as follows:

- the first and most serious concerns structures. Production, processing and marketing structures are so outdated (as illustrated by the fragmentation of land ownership) that they have come to dominate completely the agricultural negotiations.

This leads to a vicious circle. If accession were speeded up, Portuguese agriculture would be able to benefit immediately from all the advantages offered by the EAGGF Guidance Section (directives on socio-structural measures to improve holdings, regulations concerned with improving processing and marketing structures and with producer groups). On the other hand, the actual application of such measures, that is, the ability of Portuguese agriculture to benefit from them, is, as things stand at present, still fundamentally uncertain. Other Mediterranean regions of the Community provide irrefutable evidence of this phenomenon.

- the second is the adjustment of the 'mechanisms' of Portuguese agricultural policy to those of the Community's agricultural policy. In itself such adjustment is not complicated, but it can only be achieved by gradually adapting Portuguese structures, since otherwise both the agricultural sector and the country as a whole might be unable to cope with the complications, for example the increased cost of importing cereals, meat, milk, sugar and tobacco, which are at present imported at world market prices.

#### 1V. THE PRINCIPAL CHARACTERISTICS OF SPANISH AGRICULTURE

25. In its opinion on Spain's application for accession<sup>1</sup>, the Commission points out that the agricultural sector in that country employs almost 20% of the working population (EEC: 8.2%) with 1.7 million farms (EEC: 5.6 million); agriculture's contribution to the gross domestic product is 9% (EEC: 3.5%).

Accession of Spain to the Community will entail an increase of 27% in the latter's agricultural area, 28% in its agricultural working population and its number of farms, whereas, as we have seen, the total population will increase by 14% only.

In Spain's final agricultural production, vegetable products predominate (nearly 60%) compared with animal products: fruit and vegetables (25%), wine, rice and olive oil alone represent nearly 34% of this production.

Community vegetable production on the accession of Spain would increase substantially: 76% for citrus fruits, 55% for olive oil, 38% for tomatoes, 14% for cereals (including rice, for which the increase would be about 40%), 18% for wine, etc.

Animal products are at a much lower level: for example, in Spanish final agricultural production milk represents less than half of what it does in the Community's production; meat represents two thirds, etc..

26. As for agricultural trade, Spain exports mainly fruit and vegetables, both fresh and processed, (in particular to the Community market), olive oil and wine, but it imports large quantities of fodder cereals, soya, beef and veal and milk, especially from North and South America.

Spain is in deficit as regards the principal animal products and cattle foods, but is in surplus in vegetable products, especially Mediterranean products.

27. As regards production structures, almost 60% of Spanish farms are between 1 and 5 hectares in area (EEC: 42%), and only 12.5% of the farms are more than 20 hectares (EEC: 23.2%). There are, however, huge farms which are often extensively worked and which occupy a large part of the land. The current trend towards more intensive farming of these estates is one of the important factors in assessing the future of Spanish agriculture. The age structure of the farmers is distinguished by a very large number of persons over 65 (one quarter of the total).

---

<sup>1</sup> COM(78) 630 final



Spain has begun a major irrigation programme: between 1955 and 1978, the area under irrigation almost doubled (from 1.5 to nearly 3 million hectares); it is thought that a further million hectares could be irrigated in the next few years. It should be noted, however, that the yield per hectare is generally below that in the Community.

The workers play an important part in agriculture, representing 32% of the active agricultural population (2.7 million). 60% of the farms have one or more employees, but Spanish agriculture is under-equipped: three times fewer tractors than in France, for example.

o

o o

28. This brief introductory survey of Spanish agriculture has served to identify its specific structures. It will be studied more thoroughly in terms of the sectoral problems which the third enlargement will create for the Community and which are the subject of the next section.

#### V. THE SECTORAL PROBLEMS

##### Fruit and vegetables

29. In a Community of twelve Member States, Spain's output of apples, peaches, table grapes and citrus fruits would represent 9%, 11.6%, 14.6% and 42% respectively of the Community's production.

Compared with the EEC of the Nine<sup>1</sup>, the percentages for vegetables are as follows: green beans 34%, onions 75% and tomatoes 50%.

Spain, Greece and Portugal together produce a little more than half Community output of processed tomatoes - concentrate or peeled - at costs, mainly for labour, 30% below those in the Community.

30. Spain already occupies a very important place on the Community fruit and vegetable market. Of the total exports from third countries to the Community of the Nine, it supplied 42.5% of the oranges, 81% of the mandarins and clementines, 70% of the lemons and 34.4% of the grapes.

As regards fresh vegetables, Spain accounted for 68% of the total quantity of peas exported from third countries to the Community of the Nine, 35% of carrots and turnips, 42% of onions, 24.7% of garlic, 98% of artichokes, 42% of

---

<sup>1</sup> It has not always been possible for the rapporteur to obtain up-to-date figures

tomatoes and almost 60% of aubergines, marrows and pumpkins.

Of the tinned tomatoes imported from third countries, 31% came from Spain and 17% from Portugal.

The natural advantages of Spanish farming (climate, irrigation, relatively cheap labour) will be fully exploited when the opening up of frontiers removes the existing non-tariff barriers: timetables, reference prices, CCT duties.

In some sectors, (early vegetables, glasshouse vegetables, citrus fruits, artichokes, onions, tomatoes), it will be difficult for the French and Italian growers to cope with Spanish competition; the same applies to Portuguese competition in processed tomatoes. As for Greece, peaches, apricots and table grapes at present constitute a competitive threat.

It is to be expected that the difficulties due to uncontrolled over-production will rebound on the farmers in a few years with saturation of the markets and a spectacular collapse in prices; at the same time there will be a spectacular increase in operating costs: social changes, investments, mechanization, debt levels.

31. Some of the difficulties faced by Mediterranean farming begin in the Northern regions of Europe. Crops, mainly of vegetables, were developed under glass in these regions under conditions which were economic when oil was cheap and which have become unreasonable since the rise in the cost of energy; subsidies are therefore given to glasshouse growers on regrettable terms and despite the need to prevent the waste of energy. 650,000 to 700,000 tonnes of tomatoes are marketed from German, Belgian and Dutch greenhouses, which is the same figure as the fall in production of this crop in the south of Europe over the last few years. In winter 2 kg of oil are needed to grow 1 kg of tomatoes.

32. The most important problems arising in this sector can therefore be summarized as follows:

- for particularly sensitive products (tomatoes, aubergines, pears, peaches, apricots) difficulties **have already arisen in previous years** on the sudden arrival on the Community market of Spanish tomatoes or Greek peaches, for example, causing a collapse in prices on the market, destruction of the crop and social troubles. Quick-acting safeguard mechanisms must therefore be provided for these products: temporary closing of frontiers, Community intervention at beneficial prices for the growers, with withdrawal of the produce from the market. However, past experience has proved that these measures are generally taken too late, when the situation has become untenable. Changes in the present regulations are therefore needed, first to strengthen the intervention mechanisms and secondly to ensure that these measures are effective and operate quickly;

- as regards processed products, especially tomatoes, the introduction of the Community system of aids for processing, designed to strengthen the competitiveness of this production sector as compared with that of third countries, has already brought about a substantial increase in Community production; if applied unchanged to Spanish and Portuguese production, it is likely to result in surpluses very difficult to dispose of and to intolerable expenditure for the EAGGF budget;

33. Urgent measures have to be taken immediately for the whole fresh and processed fruit and vegetable sector to reduce the impact of enlargement on a sector which is very fragile because of the very nature of the products in question and the inadequacy of the present Community regulations. The measures to be considered might be the following:

- strengthening of producer associations and groups, which should receive increased Community aid for their setting up and operating costs, as well as increased powers as regards market management;
- regulation of production in heated greenhouses; national aid in this sector must be progressively harmonized to restore normal conditions of competition and give a more logical production structure in the general interest;
- reinforcement of the Community preference - taking account of the intervention involving the Mediterranean agreements (see section VI) - in particular by changing the reference price mechanism, which is totally unsuited to ensure rapid intervention by the Community institutions in the event of disturbance of the market; quantitative restrictions on certain sensitive products should be considered by means of voluntary restraint agreements to be negotiated with third countries but also with Spain;
- introduction of an effective market organization for processed products, providing, in particular, for the possibility of intervention in the event of a serious crisis on the market, notably by means of storage premiums, levies for imports from third countries and a flexible system of support for the producers based on minimum guaranteed prices;
- introduction of marketing schedules for each Community region which take account of climatic differences, the aim being to ensure balance between supply and demand by planning the release of products onto the market.

## Citrus fruit

34. As regards citrus fruit, imports from Spain already hold a predominant position on the Community market; on the other hand, the measures adopted so far to restructure and modernize the Community production structures have not produced any appreciable results.

At present, Community produce benefits from 'penetration premiums' designed to assist in its disposal on the market of non-producer Community countries. Enlargement of the EEC to include Spain, with the resulting complete liberalization of trade and probable abolition of existing premiums, may well spell the end of Community production,

## wine

35. We shall now consider the problem of wine, not because the situation is serious in the applicant countries but because the crisis is already well established in the EEC and their entry can only aggravate it.

### Production and use of wine in the applicant countries

(in millions of hectolitres - average for the years 1974 through to 1980)

	Spain	Portugal	Total
Average harvest	35.0	10.0	45.0
Consumption	28.0	6.2	34.2
Industrial uses	1.5	2.5	4.0
Internal use	29.5	8.7	38.2
Export	5.5	1.7	7.2

36. Despite the fact that the area under vines in Spain is the largest in the world with 1.7 million hectares (Italy: 1,123,000 ha, France 1,164,000 ha, Greece: 210,000 ha, Portugal 350,000 ha); its output is fairly limited because of the low yield per hectare (about 20 hectolitres).

However, in 1979 Spanish production reached 50.5 million hectolitres which, added to an exceptional Community production (175 million hectolitres compared with an average of 148 million) would have created almost insuperable marketing problems.

In 1980 production went back to normal, about 35-36 million hectolitres.

Spain and Portugal have a surplus production and the only way they can dispose of their harvest is by exporting. The EEC imports 6.2 million hectolitres from third countries (the average since the opening of the Common Market in wine), with more than 50% coming from Spain and Portugal

It is clear that their entry into the Community will increase this flow of trade

37. For its part the Community has recently introduced a plan to control the production of wine and improve its quality, providing in particular for :

- a ban until November 1986 on any new planting of vines in areas intended for the production of table wines ;
- premiums for restructuring and reconversion of wine growing in certain regions ;<sup>1</sup>
- premiums for the temporary and permanent abandonment of areas under vines ;
- premiums for the discontinuation of wine growing ;
- Community aid for restructuring of wine growing as part of collective operations.

Provision has also been made for the possibility of establishing a minimum price in Community trade in the event of prices falling below a certain level (85% of the guide price). Respect for the wine growing trade will be encouraged by the definition of three categories of land on the basis of their characteristics : only areas most suitable for producing wine will be authorized to maintain and develop this production.

38. Spain of course already has a 'wine office' which involves precise and binding rules. It is forbidden, for example, to plant vines on flat land or irrigate them. These two rules mean that with the largest wine growing area in the world Spain has yields very much lower than those in France or Italy, no more than 20 to 22 hectolitres per hectare, except in 1979 when yields approached 30 hl/ha.

However, the low current yield could be greatly improved by replanting quality varieties and modernizing the often archaic methods of cultivation. The selling price of Spanish table wine, which has a high alcoholic strength, is currently lower than that for Italian wines, which will certainly aggravate the problems on the French and Italian markets.

---

<sup>1</sup> Initially with the 'Languedoc-Roussillon' directive subsequently extended to all Community vineyards

39. If enlargement is to be accompanied by alignment with the most lax liberal rules - the method applied between France and Italy in 1970 - Spanish wine growing will come down on to the plains and will benefit from irrigation. Yield and output will surge.

This development is not inevitable : it will only happen if the Community does not impose the necessary corrective measures.

It has always been said that the wine crisis which Europe has been suffering for 10 years was avoidable. It is not written into the production and consumption figures of the Community.

We must take as a basis production averages over several years and adopt the medium-term flexible planning proposals which many authorities in the trade are already demanding : staggered sales, holding surpluses over to balance supply and demand ; in 1977 there was a shortfall in the European harvest equivalent to the surpluses which were distilled in 1973 and 1974, which could perfectly well have been stored if the 'disciplinary rules' asked for by the wine growers at the time had distributed them properly.

The Commission states in its report of 31 July 1978 that it does not want any 'new protectionism' which would involve further surpluses. If the restriction on yield and the ban on planting are really to produce surpluses, the words obviously do not have the same meaning for the wine-growers as they do in Brussels.

40. France has the ONIVIT (National Intertrade Office for Table Wines) while Spain has the ONV (National Wine Office) and an International Wine Office also exists : has the time come and have the foundations been laid for the establishment of a European wine office ?

Other measures should also be considered : ~~abolition~~ of the high excise duties affecting wine in Northern Europe, efforts to improve quality, fraud prevention, the reinforcement of export refunds.

#### Olive oil

41. Spanish production of olive oil is almost the same as that of Italy, the principal Community producer : it reached 390,000 tonnes in 1976, 350,000 in 1977, 500,000 in 1978 and 390,000 in 1979. Community production varies between 350,000 and 400,000 tonnes depending on the year.

42. The effects of enlargement of the Community on the olive oil market can be summarized as follows :

- (a) the present serious crisis affecting the olive oil sector due to the constant reduction in consumption because of competition from other cheap vegetable oils will certainly be aggravated if frontiers are suddenly opened to Spanish competition; moreover, if Spain, having become a member of the Community, were to apply the European liberalism in the importation of oils, particularly ground-nut oils at half the price, there could be a startling reduction in the consumption of olive oil in Spain, which would create chaos on the Community market ;
- (b) overproduction and structural surpluses in the sector will result in costs, particularly for intervention, which are difficult to calculate at the present time ; in view of this, intensive cultivation of olives on irrigated land should be discouraged since it produces very high yields and results in overproduction. It would be preferable to use this land for crops in short supply such as maize, certain oleaginous plants or protein plants, of which there is a serious shortage in Europe;
- (c) the Community system of aids for production and consumption currently in force, if extended as it stands to a much larger number of producers and to production which is more than twice as high as current Community production, would involve a financial contribution by the EAGGF which might amount to 1,000 million ECU; on the other hand, this system could not be abolished or moderated without causing considerable social disruption ; certain regions, which are amongst the poorest in the Community, would see the collapse of their economic basis ;
- (d) present imports from the Maghreb countries, in particular Tunisia, and from Turkey and other Mediterranean countries, should be discontinued or slowed down by abolishing the preferential access granted to these countries ; this would mean giving them substantial financial compensation to avoid reprisals by them in particularly sensitive sectors (imports of oil and other raw materials, fishery agreements, etc.)

43. These very brief notes should be sufficient to illustrate the probable effect of enlargement on a sector like that of olive oil, which is already suffering a crisis which is difficult to control. The only remedy which has been suggested so far would consist in the imposition of a tax on oils and fats produced in the Community, with the exception of olive oil, or imported oils and fats, and the revenue from this tax could be used to finance a market organization which might be extremely expensive. Such a tax, however, would be very difficult to apply for various reasons ; the clearly unfavourable attitude of certain Member States and the consumers, divided opinions within the Community institutions, difficulties within GATT and with the United States. The tax would not solve the problem of the disposal of surpluses on the world or the Community market, where demand is falling, nor the problem of the total exclusion of certain traditional suppliers of the Community.

A substantial reduction in the production potential (grubbing up, reconversion) cannot be considered either for social, economic and ecological reasons, given that this is a typical form of production for regions which generally have no other alternative. The cultivation of olive trees may generally be taken as a yardstick by which to gauge overall regional development.

44. Other solutions must therefore be envisaged which should be directed towards increased efforts on the part of the Community to develop the consumption of olive oil. This promotion effort could be based on improvement of quality, on the introduction of registered designations of origin, as for wine, and finally on a wide-ranging publicity campaign in favour of this product.

#### VI. AGREEMENTS BETWEEN THE COMMUNITY AND THE COUNTRIES OF THE MEDITERRANEAN BASIN

45. In 1972 the Commission tried to set up a rather more active policy for Community relations with the countries of the Mediterranean basin. The lack of an overall strategy and the conclusion of isolated agreements have not allowed a clear policy to be developed. The Council and the traditional patterns of trade of the Member States, however legitimate they might be, have prevented the definition of a genuine European policy for the Mediterranean region.

The content of these agreements is discussed below after considering the guidelines proposed by the Commission. An attempt is then made to examine the failures and shortcomings which have prevented the development of a significant overall policy.

In the conclusions, an effort is made to define how Europe must, in our view, assume its responsibilities to act as a factor of balance, development and peace in a region which is the focal point of conflicts which might spread to the whole world.

The main lines of action proposed by the Commission are as follows:

- in the industrial sector : the free movement of goods within the framework of customs unions for countries whose political and economic structures allow the possibility of later integration into the Community and, for the other countries, within the framework of free-trade areas ;
- for agricultural products, improvement and extension of the concessions already provided by the various agreements in force : for products subject to customs duties, a progressive reduction in the CCT duties by about 60%, although only 40% for sensitive products ; for products subject to levies, no concession will be granted for products differing from those for which concessions are already given.
- three types of cooperation (technical, financial and on employment).



46. The European Community has links with almost all the countries of the Mediterranean (except Libya and Albania). There are links with the applicant countries (Spain, Portugal), and association agreements (Cyprus, Malta, Turkey), cooperation agreements (Maghreb, Mashreq, Lebanon, Yugoslavia) and finally the free trade and cooperation agreement with Israel. These agreements are currently being revised, on the basis of the Council negotiating directives of 11 February 1980, to take account of Greece's accession to the Community<sup>1</sup>. Since the revision of all of them is still far from complete, this report can only describe a provisional situation.

(A) THE ASSOCIATION AGREEMENTS

CYPRUS

47. The supplementary protocol to the association agreement between the Community and Cyprus and the protocol laying down certain provisions relating to trade in agricultural products were signed on 7 April 1978 by the Commission and the Cypriot authorities.

The agricultural scheme covers most of the Cypriot agricultural exports, in particular citrus fruits, grapes, early potatoes, carrots, preserved fruits and juices and wines, including liqueur wines.

These agreements came into force on 1 July 1978. They were supplemented by the protocol signed on 12 December 1980 to take account of Greece's accession to the Community.

48. A detailed examination of the agricultural protocol demonstrates the principal concessions granted by the Community to Cyprus:

- early potatoes : for 1978, tariff reduction of 65% for a quota of 75,000 tonnes; for 1979, reduction of 60% from 1 January to 15 May and 55% from 16 May to 30 June for a quota of 60,000 tonnes. The concessions for 1979 were subject to two conditions: an undertaking by the Republic of Cyprus to export this product solely to the United Kingdom and the adoption by the Community of a common market organization for the potato sector. For 1980, 1981 and up to 30 June 1982 the tariff concessions provided in 1979 were extended for a Community tariff quota of 60,000 tonnes.
- carrots : tariff reduction of 60% from 1 January to 15 May, but with a tariff quota from 1 April to 15 May of 2,500 tonnes in 1978 and 2,300 tonnes in 1979, 1980, 1981 and 1982.
- sweet peppers : tariff reduction of 50% for a quota of 300 tonnes in 1978, 250 tonnes in 1979 and 1980 and 125 tonnes in 1981 and 1982.
- aubergines : tariff reduction of 60% from 1 October to 30 November for a tariff quota of 300 tonnes in 1978 and 250 tonnes in 1979 and 1980.

---

<sup>1</sup> See PE 63.189

- table grapes : tariff reduction of 60% for the following quotas: from 8 June to 10 August 1978: 7,500 tonnes; from 8 June to 31 July 1979: 7,000 tonnes; from 8 June to 31 July 1981: 7,000 tonnes; from 8 to 30 June 1982: 2,980 tonnes.

49. Apart from these particular concessions contained in the agricultural protocol, the first protocol provides for other tariff reductions on other products such as citrus fruits (60%), similar to those provided by the various agreements already signed with the other Mediterranean countries. The concessions in favour of 'Cyprus sherry', which benefits from a tariff reduction of 70% within the limits of a quota of 250,000 hectolitres, and those granted in favour of normal wines (70% with a quota of 10,000 hectolitres) should be emphasized. A reference price has recently been established for these products.

50. These provisions, valid until 31 December 1979, were renewed autonomously by the Community until 31 March 1980 pending the conclusion of the transitional protocol extending them until 31 December 1980. This transitional protocol was signed between Cyprus and the Community on 7 February 1980. On 18 March 1981, the two parties decided to conclude a protocol covering trade for 1981. Since the protocol concerning the trade arrangements to be applied in 1982 and 1983 could not be concluded within the specified time limits, the Community decided to extend the existing trade arrangements until 30 June 1982.

#### MALTA

51. The Association Agreement with Malta which came into force on 1 April 1971 was limited to industrial products. For these products a customs union was to be established, the second stage of which was to begin on 1 April 1976. In fact, the first stage was extended to 31 December 1980 by the additional protocol signed on 27 October 1977. This protocol extends the association to the agricultural sector, the Community granting Malta preferential access to its market. Maltese exports comprise processed products (chocolates, pasta products, pastry products), preserved beef and veal, for which a tariff quota (650 tonnes) at zero duty is provided, and alcoholic beverages (vermouth, wine of fresh grapes) and ethyl alcohol. Apart from beef and veal, the exemption applies to the fixed component of the tax on these products on import into the Community. For soups and broths the customs duty applicable is 5.4% (normal duty : 22%) - for beers it is 7.2% (normal duty : 30%).

52. The agreements and the protocol aim to encourage Community participation in the economic development of Malta by opening the Community frontiers to Maltese products and by ensuring industrial, scientific and technological cooperation. It should be noted that the Association Agreement with Malta has not yet been revised.

## TURKEY

53. At the meeting of the EEC- Turkey Association Council on 30 June and 1 July 1980, the Community and Turkey arrived at an agreement on a number of decisions relating to the development of the association.

In the agricultural sector, the Association Council decided to abolish the customs duties applicable to the import of Turkish products over a period of 6 years from 1 January 1981, to arrive at duty free entry on 1 January 1987.

The arrangements affect only customs duties. They go hand in hand with the implementation of Article 33 of the additional protocol annexed to the Ankara Agreement on the adaptation of Turkish agriculture to the mechanisms of the common agricultural policy. The Community and Turkey will therefore establish together a programme of examination and analysis of the Community's agricultural regulations and the Turkish economy and agricultural legislation. This work will allow in the long term, in principle by 1992, the free movement of agricultural products between the Community and Turkey.

The Community has decided to continue its cooperation with Turkey despite the recent events in that country, as shown by the Declaration of 15 September 1980 on the situation in Turkey adopted by the Foreign Ministers meeting in political cooperation.

54. Turkish agricultural exports to the Community essentially consist of cotton, hazel nuts, tobacco, grapes and dried figs, certain fruits and vegetables and olive oil. Special mention may be made of hazel nuts which, together with cotton, form the bulk of the Turkish exports.

55. Turkey produces between 60% and 70% of the world harvest of shelled hazel nuts amounting on average to 210,000 tonnes. A large part of Turkish production is exported. In 1978 the Community imported from Turkey 75,154 tonnes of this product, including 25,000 tonnes as part of a tariff quota at a duty of 2.5%. This tariff quota was renewed in 1979 and in 1980.

56. The Community also imports agricultural products each year from Turkey with total or partial CCT exemption (see Regulation (EEC) No. 235/80 - OJ No. L27 of 2.2.1980, p. 1). The Committee on Agriculture has had an opportunity to give an opinion on this regulation (Doc. 1-562/79). The EEC-Turkey agreement is currently being revised, consequent upon Greece's accession to the Community. The Community has repeatedly called attention to the importance it attaches to the restoration of a pluralist parliamentary democracy and respect for human rights in Turkey.

(B) THE COOPERATION AGREEMENTS

MAGHREB COUNTRIES

57. In January 1976, the Community and the Maghreb countries (Algeria, Morocco, Tunisia) concluded cooperation agreements for an unlimited period. They form part of the global Mediterranean approach of the Community. (It should be noted that the agreement with Morocco is currently being revised). The relative importance of agricultural exports varies according to the country: between 6 and 8% for Algeria, about 35% for Tunisia, and between 56 and 58% for Morocco.

The Community offers these countries a system of preferential access to its market for the bulk of their agricultural products, precautions being taken to safeguard the interests of the Community producers.

The tariff concessions, which vary between 30 and 100%, cover between 86 and 89% of the agricultural exports. (Until 1 January 1979 these countries benefited from preferential access to the French market for products not covered by the agreements).

Community exports to the Maghreb countries will benefit from the most-favoured-nation clause.

Provision is also made for cooperation in the fishery sector, but there are, of course, the problems arising in this connection between Italy and Tunisia, the latter refusing to renew the licences granted to Italian fishermen.

Algeria - exports mainly citrus fruits to the Community,  
Tunisia - exports mainly olive oil and citrus fruits,  
Morocco - exports fruit and vegetables, preserved fish, olive oil and citrus fruits. Their main imports from the Community are common wheat, dairy products and sugar.

58. If these agreements are examined in detail, it can be seen that they cover products which compete both with the Mediterranean products of the present Community and those of the applicant countries.

59. The tariff reductions provided for agricultural products in the three agreements relate to about 100 customs tariff items. For the products representing the most important groups of exports from the Maghreb to the Community, there are the following reductions :

- citrus fruits : 80%, with the obligation to respect Community reference prices ;
- fresh tomatoes, peas, beans, onions ; 60%, but only during certain months of the year ;
- preserved fish : 60% for tuna ; 100% for others excepting sardines, these being subject to special conditions ;
- preserved vegetables without vinegar : various rates of reduction (30% for peeled tomatoes and for asparagus, 50% for cultivated mushrooms, etc.)
- tomato concentrates (applies to Tunisia, Turkey and Algeria): 30% from a date and for periods to be jointly agreed, subject to compliance with a voluntary restraint agreement,

60. There are special provisions for the other agricultural products. For unrefined olive oil the levy applicable is reduced by 0.50 UA per 100 kg. In addition, if the three countries apply a special tax on export, the levy is reduced by an amount equal to that of the tax, with a ceiling of 20 UA per 100 kg. For olive oil which has undergone a refining process only the variable component of the levy is applied and not the fixed component.<sup>1</sup>

In the case of prepared and preserved sardines, exemption from customs duties is subject to the observance of minimum prices agreed between the parties.

61. Ordinary wines originating in Morocco and Tunisia are granted a tariff reduction of 80% subject to observance of the reference prices.

In view of the importance of the wine industry, Algeria has been given a further concession compared with its two neighbours. Algerian wines with an alcoholic strength of up to 15° benefit from a tariff reduction of 80% subject to observance of the reference price. Algerian wines intended for fortifying, also benefit from a tariff reduction of 80%. Subject to an annual quota of 500,000 hl they also benefit from a reduction in the reference price, which for the first year was equal to 30% of the difference between the reference price and the guide price; for the second year it was 22.5%; for the third year 15% and for the fourth year 7.5%.

---

<sup>1</sup> See Doc. 1-546/79 - draftsman: Mr Delatte

62. As for quality wines, an exemption from customs duty was granted subject to an annual quota fixed at 50,000 hl for Morocco and Tunisia and 250,000 hl the first year for Algeria, this figure having been increased progressively to 450,000 hl by the end of the fifth year.

63. The Community also gave Algeria grants of 25 million UA, 12 million of which were to be devoted to the reconversion of the vineyards, given that vine cultivation was a heritage of the colonial period.

#### MASHREQ COUNTRIES

64. The cooperation agreements signed on 18 January 1977 with three Mashreq countries (Egypt, Jordan, Syria) supplement the cooperation agreements signed in January 1976 with the Maghreb countries (Algeria, Morocco, Tunisia). They constitute a further section of the global Mediterranean approach of the Community. They were concluded for an unlimited period.

The exports of agricultural products from the Mashreq are proportionally smaller than those from the Maghreb. The agreements provide for a system of preferential access to the Community market.

The tariff concessions, which vary between 40 and 80%, cover the bulk of the agricultural exports and are subject to certain precautions designed to safeguard the interests of Community producers.

There is provision for cooperation between the Community and the countries of the Mashreq in the fisheries sector. These countries grant the Community most-favoured-nation status.

65. These agreements and the concessions granted by the Community to these countries in the agricultural sector need to be examined in detail.

#### (a) Egypt

66. Compared with the 1972 agreement, the new agreement with Egypt has brought considerable improvements for this country in the area of agricultural products. The rate of reduction of duties is now as follows :

shrimps and prawns	50% (fresh and frozen)
citrus fruits	(oranges 60%, mandarins 60%, lemons 40%, grapefruit & limes 80%)
onions	60% (1.2. - 30.4)
garlic	50% (1.2. - 31.5)
peppers	40% (15.11. - 30.4)
dried dates	80%
watermelons	50% (1.4. - 15.6)
dried leguminous vegetables	80%
various herbs or medicinal plants	80%
early potatoes	40% (1.1. - 31.3)
beans	60% (1.11. - 30.4)
tomatoes	60% (1.12. - 31.3)
table grapes	60% (1.12 - 30.4)

For dried onions and garlic, the duty applicable has not changed, viz. respectively 15% and 14%.

The reduction in the levy on rice produces an economic benefit for Egypt in the form an export tax which it levies and applies to an unchanged quota of 32,000 tonnes. Reductions in the levy are applicable under the same conditions to bran, sharps, etc.

67. The agreement with Egypt and those concluded with the two other countries contain a clause which also appeared in the agreements concluded with the Maghreb countries. It stipulates that if the Community amends the regulations in force as part of the common agricultural policy, it may amend the arrangements provided for in the agreements for the products concerned, taking account of the interests of the countries concerned.

(b) Jordan

68. The principal reductions in duties concern the following products :

beans	60% (1.1./30.4)
broad beans	40%
carrots	40% (1.1./31.3.)
onions	50% (1.2./30.4.)
garlic	50% (1.12./31.3.)
tomatoes	60% (1.12./31.3)
sweet peppers	40% (15.11./30.4.)
aubergines	60% (15.1./30.4.)
pumpkins or gourds and courgettes	60% (1.12./end February)

oranges and mandarines	60%
lemons	40%
grapefruit and limes	80%
watermelons	50% (1.4./15.6.)
dried leguminous vegetables	80%

Jordan also exports medicinal plants and sheepskins to the Community.

(c) Syria

69. The reductions relate to a smaller number of products than in the case of Jordan. They only apply to onions and garlic, watermelons, dried apricots (60%), dried leguminous vegetables, certain seeds and other products for medicinal use and insecticides.

70. As shown by the above, the concessions granted to the three countries in the agricultural sector are all in all of very limited importance, the geographical and climatic conditions in these countries preventing them, unlike the Maghreb countries, from offering a wide range of agricultural products such as citrus fruits, wine, olive oil, fruits and vegetables. Nevertheless, the accession of countries such as Spain or Portugal could raise problems for them in regard to certain products, for instance tomatoes, garlic and citrus fruits.

The agreement with Syria is currently being revised.

(d) Lebanon

71. On 3 May 1977 the Community and Lebanon signed a cooperation agreement supplementing the agreements signed on 18 January 1977 with Egypt, Jordan and Syria. This agreement was concluded for a limited period. Lebanon exports to the Community citrus fruits, dried fruit and leguminous vegetables, dried garlic and onions, raw olive oil and tobaccos and imports meat, cereals and vegetable oils and fats. The agreement provides for cooperation in the fisheries sector. Lebanon grants to the Community the status of most favoured nation. For agricultural products the tariff concessions given by the Community vary between 40 and 80%. They are subject to certain precautions (quotas, import timetables, observance of the rules provided for by the common market organizations, safeguard clause) designed to protect the interests of Community producers.



72. The following are some of the tariff reductions given for agricultural products :

fresh onions	50% (1.2./30.4.)
fresh garlic	50% (1.2./31.5.)
dried leguminous vegetables	80%
fresh oranges	60%
fresh lemons	40% (with respect for reference prices)
grapefruit	80%
nuts	50%
watermelons	50%

Similar provisions to those given to the Maghreb countries are provided for olive oil, except that the amount of the levy less the special export tax which Lebanon may apply is limited to 4 UA/100 kilogrammes.

#### YUGOSLAVIA

73. On 25 February 1980 the Community and Yugoslavia signed a cooperation agreement of unlimited duration.

In the agricultural sector the agreement provides for tariff concessions for certain agricultural products of particular interest to Yugoslavia such as baby beef, Morello cherries, plum spirit, some quality wines and tobacco. Only beef and veal represent significant quantities. Yugoslavia grants the Community the status of most favoured nation.

Following Greece's accession to the Community, the Council adopted on 13 July 1981, negotiating directives with a view to adjusting the aforementioned agreement. The negotiations were held in two sessions, on 18 September 1981 and from 13 to 15 January 1982. At the latter session, the heads of delegation initialled the texts of the draft protocols drawn up at the close of the negotiations. It was agreed that the monthly amount by which the levy on baby beef would be reduced pursuant to Article 11 of the interim agreement would be raised from 2,900 to 4,200 tonnes, on the understanding that some deferment was possible<sup>1</sup>. In addition, at the request of Yugoslavia, letters were exchanged during the negotiations specifying that the two parties agreed to continue to seek stable long-term arrangements for the access of Yugoslav baby beef to the Community market, in line with the principles and objectives of the EEC-Yugoslav Cooperation Agreement.

<sup>1</sup> For more detailed information, see PE 77.298: Adaptation of the EEC/ECSC/Yugoslav agreements consequent upon the accession of Greece to the European Communities.

74. For the following agricultural products the customs duties applicable were fixed at the following levels :

horses for slaughter	1.6%	
Morello cherries (1.5./15.7.)	10%	(with a minimum amount of 3 EUA per 100 kg)
Morello cherries (16.7./30.4.)	12%	
Morello cherries (frozen)	13%	
dried Morello cherries	4%	
frozen Morello cherries with added sugar	18%	(plus supplementary levy if the sugar content exceeds 13%)
spiritous beverages (Sljivovica)	0.3	EUA per hl per % degree of alcohol plus 3 EUA per hl. (within the limits of an annual Community tariff quota of 5,420 hl.)

75. In addition, for wine of fresh grapes falling within sub-headings 22.05 ex. C I (a) and C II (a) of the CCT, the Community grants a tariff quota of 12,000 hl with a 30% reduction in customs duty provided that the Community reference price is observed.

76. For tobacco of the 'Prilep' type the Community grants an annual Community tariff quota of 1,500 tonnes, the customs duties being suspended at 7% ad valorem with a minimum amount of between 13 and 45 EUA/100 kg.

77. For imports of beef and veal, the agreement<sup>1</sup> provides for a variable levy system which depends on the relation between the price of beef and veal on the Community market and the guide price. The levy reductions apply to a quantity of 2,900 tonnes per month when the Community market price is less than 98% of the guide price (see Article 11 of the Agreement).

#### (C) FREE TRADE AND COOPERATION AGREEMENTS

##### ISRAEL

78. The bilateral agreement concluded between the Community and Israel on 11 May 1975 came into force on 1 July 1975, establishing free trade and cooperation between the parties.

In the agricultural sector it comprises reductions in duty for a number of products (oranges and mandarins 60%, lemons 40%, grapefruit 80%, etc..) and provides for guarantees designed to preserve the interests of the Community producers.

<sup>1</sup> OJ No. L 130 of 27 May 1980, page 1

79. This agreement was supplemented by the signing on 8 February 1977 of an additional protocol and a financial protocol. The additional protocol provides, in particular, for the commercial promotion of products exported by Israel and the achievement of complementarity in the economies in the agricultural and fisheries sectors.

80. For agricultural products the agreement of 11 May 1975 provided for the following reductions in duty :

Carrots	40% (1.1./31.3.)
Onions	60% (15.2./15.5.)
Aubergines	60% (15.1./30.4.)
Courgettes	60% (1.12./end February)
Fresh oranges	60%
Fresh lemons	40%
Grapefruit	80%
Melons	50% (1.11./31.5.)
Water melons	50% (1.4./15.6)
Peeled tomatoes	30%
Apricots	20%

81. Special provisions were also provided for tomato concentrate (reduction in duty : 30%) - subject to compliance with a voluntary restraint agreement - and fruit salad (reduction in duty: 55%), and for apricot pulp for which an annual Community tariff quota of 150 tonnes was stipulated. In the case of this quota the import duty was reduced by 30%.

82. The additional protocol strengthens the 1975 agreement since it provides for the achievement of complementarity in the economies of the contracting parties, in particular in the agricultural sector.

Israeli agriculture is highly developed and uses modern technology. Complementarity is achieved in the sense that Israel is a net importer of food products (cereals, sugar, meat) and an exporter of agricultural products (citrus fruits, certain vegetables and flowers, which arrive on the European market earlier than the corresponding Community products). The situation is likely to change with the entry of Spain into the Community and Israel will have much more difficulty in exporting its products. Greece will not apply quantitative restrictions to imports of agricultural products from Israel. In addition, Israel has stressed that the revision of the agreement should form part of a general approach covering all countries enjoying preferential links with the Community and should not therefore be discriminatory. Finally, the Israeli Government has made it clear that the signing of the protocol following Greece's accession the the Community should signify the establishment of diplomatic relations between Greece and Israel.

## VII. POSSIBLE DEVELOPMENTS: EEC - MEDITERRANEAN THIRD COUNTRIES

83. This whole system of preferential agreements is likely to be disrupted by the enlargement of the Community, which will involve :

- an increase in the level of Community self-sufficiency in certain products of vital importance for the Mediterranean countries, imports therefore being less necessary for the enlarged Community ;
- a modification in the current trade flows : instead of directing part of their production to the world market, the new members will find it easier to place them on the Community market, rightly claiming observance of Community preference ;
- considerable pressures within the Community of Twelve aimed at increasing protection at the external frontiers and therefore, amongst other things, eliminating the tariff advantages and the guarantees currently benefiting the Mediterranean countries linked with the Community by agreements ;
- finally, a shrinking of the world market for the products of the Mediterranean countries to the extent that an increase in Community production and the creation of surpluses would make it easier to find outlets on the world market by means of substantial export refunds.

84. The countries most affected by these changes could be Israel, (citrus fruits, fresh fruit, vegetables and flowers), Tunisia (olive oil and preserved fruit), Morocco (tomatoes, olive oil, preserved fruit). Currently between 60 and 70% of the agricultural exports of these countries are absorbed by the EEC. But it will be particularly the small countries such as Tunisia, Cyprus, Malta and Lebanon which will pay the price of a change in Community policy towards them: their exports of agricultural products to the Community, although quantitatively not very great, represent essential resources for their respective economies.

85. The Community clearly cannot abandon its partners in the Mediterranean and suddenly close its frontiers to their agricultural products, which have been allowed entry up to now. Political, economic and humanitarian reasons require that collaboration between the Community and these countries be continued and developed in order not to disturb the fragile equilibrium in one of the most turbulent regions in the world. Reasonable compromises must be sought between, on the one hand, the obvious aspirations of the new members to increase substantially their agricultural exports to the EEC and, on the other, the demand by the other Mediterranean countries not to have to foot the bill of enlargement alone. Adjustments will have to be made for each country, having regard to its specific situation.

86. A great many solutions can be envisaged, but they depend on political acceptance of the marketing rules and discipline for Mediterranean products and also the financial effort which the Community is prepared to make for these countries. One thing is certain: whatever the solution or solutions chosen they will be expensive for the Community budget. Amongst the possible options there are the following:

- a system similar to that in force for the ACP countries, i.e. giving the Mediterranean countries a guarantee for the purchase of a certain quantity of agricultural products (quotas) which will then have to be sold on the Community or world market by means of subsidies. It has even been suggested that preferential imports from these countries should be abolished or limited. In exchange they would have to be granted considerable compensation in the form of investments, industrial cooperation, technical assistance etc. But this would amount to nothing less than a renunciation of the Mediterranean agreements concluded by the EEC with the two countries concerned.  
On the other hand, a policy of economic cooperation would be the natural complement of these Mediterranean agreements, which have the serious drawback of relating to Mediterranean agriculture only. They should also include a third section relating to 'the other agriculture': cereals, meat and milk products.
- the encouragement of efforts towards reconversion of the production of these countries, as was the case with Algerian wine growing, switching it towards produce for which the Community is and will continue to be in deficit: soya, protein and oleaginous products etc. All this calls for a very substantial financial and technical effort (irrigation, production structure etc.), as well as climatic conditions which will not always be present;
- the sharing of markets, if possible, for certain sensitive products on the basis, for example, of production timetables or established quantities.
- aid to these countries to enable them, where conditions permit, to diversify their production and to make them self-sufficient in food, so that they no longer depend on expensive imports which ruin their efforts and take up all the aid they receive.

87. Other solutions can be envisaged, but we should on no account arrive at accession without a clear policy. Furthermore, the Community of Ten must state its readiness to make a financial effort which, without any doubt, will have to be very considerable. The financial effort will be inversely proportional to the discipline agreed to. The fewer the marketing rules the more costly will be this policy.

On the other hand the secondary effects of all rules will have to be carefully weighed up to avoid incurring unnecessary expenditure. By seeking common rules and disciplines applicable to all the parties it will be possible to escape from an isolated, piecemeal approach and arrive at a more equitable and balanced view of the whole Mediterranean problem.

#### VIII. THE IMPACT OF ENLARGEMENT ON NON-MEDITERRANEAN PRODUCTION

88. When considering the impact of enlargement on non-Mediterranean production, two specific factors must be taken into account:

- the repercussion on the non-Mediterranean production of the existing Member States,
- the consequences for the non-Mediterranean production of the applicant countries.

89. This last point is particularly important. As has been pointed out by Mr Natali, we must take care not to identify Mediterranean agriculture exclusively with certain products such as olive oil, wine and fruit and vegetables since 'cereals, sugar and the products of livestock farming, our staple foodstuffs, represent the basic structure of agricultural systems throughout the world and have just as indispensable a role to play in the agricultural system of the Mediterranean'<sup>1</sup>.

90. The applicant countries are still dependent on external markets for supplies of milk and milk products, although the situation has recently improved and Spain will probably soon be self-sufficient in milk.

Nevertheless, it remains to be seen how far the effects of enlargement will be felt by the structure of Spanish milk production which, for the moment, is uncompetitive both in terms of production costs and in terms of quality. Spain has a large number of small dairy farms, particularly in Galicia, which will be very hard-hit by enlargement. The country will have to consider measures for switching these farms to other types of production. At the same time, the present trend towards milk production in 'factory' farms should perhaps be encouraged. If these measures are taken, a downturn in Spanish milk production should be avoided, despite changes in the production structure. In the 'two', consumption of dairy products, excepting butter has doubled over the past ten years. Output increased by 50% over the same period. Spain

<sup>1</sup> See Agence Europe No. 3199 (New Series) - 4 September 1981

will continue to import cheese, in common with Greece which is a member of the Community. Consumption of beef, pork and poultry has also doubled in the last decade. Over the same period there has been a marked improvement in the level of self-sufficiency. Spain is already able to meet all its poultrymeat requirements.

The consumption of beef, which represents an important change in the dietary habits of the 'two' is still barely more than half the level of consumption in the EEC, even though it has doubled in 10 years. The 'two' continue to import this product. However, Spain is switching to industrial techniques of cattle farming, using maize and soya bean oil cake. The multinational agri-foodstuffs industries are strongly committed to lines of production independent of the land, which allows them to make large and immediate profits on massive investments in expensive products, and does away with the need to purchase land, which is an unproductive investment.

91. In 1980 Spain bought 18,000 tonnes of maize from the EEC and 3 million tonnes from the USA. Since it has followed the multinational agri-foodstuffs industries in opting for intensive off-the-land livestock farming, Spain will for long be an importer of ever increasing quantities of soya and maize, even if it steps up domestic maize production.

Against this, however, purchases of meat will gradually fall off. The Spanish clearly do not need to have American soya processed into meat by the French or the Dutch.

These developments can be interpreted in a different way. The implications of the involvement of the agri-foodstuffs industries in promoting Spanish 'battery' production are plain enough. If wages and social costs remain as they are, there might sooner or later be a reversal of trade flows. Indeed, this has recently happened in the case of poultry. Spain is buying fewer and fewer agricultural products from France and the EEC. The proportion of Spain's agricultural imports from the EEC - the bulk coming from France - fell from 20% to 11% in 10 years (1965-1975). On the other hand, Spain has an enormous agricultural trade deficit with the USA.

92. We should not, therefore, harbour any illusions about the outlets for meat that could be offered to us by the two new members. On the other hand, we can expect an increasing demand in these countries for cereals (wheat and, more especially, maize) and protein products (soya). While we are well placed to sell more wheat to Spain, we must anticipate an accentuation of present trading patterns: Spain will buy less and less meat from the EEC and more and more maize and soya from the USA.

In this connection, it is interesting to note the level of self-sufficiency in certain 'northern' products of the two countries still awaiting accession. (figures for Greece have been included for the record).

Rate of self-sufficiency

'1976'

(8)

	EUR 9	EUR 12	Greece	Portugal	Spain
Cereals	87	86	91	42	87
Sugar	113	109	120	4	94
Potatoes	99	100	107	94	102
Pigmeat	99	98	99	92	94
Beef and veal	101	99	63	70	89
Poultrymeat	102	102	100	100	99
Eggs	101	101	101	100	103
Cows' milk (whole, fresh)	100	100	100	99	99

1980 report on the agricultural situation in the Community, p. 16

It will be seen from the above table that, except in the cereals, sugar and beef and veal sectors, there are at present few outlets for northern products in Spain and Portugal.

93. However, this should not be regarded as a permanent state of affairs because, with the rise in the standard of living which ought to come with membership of the Community, we should expect the dietary habits of the new Member States to change and to approximate to those of the existing Member States. This is borne out by the following table, which gives an indication of the per capita consumption of the principal 'northern' products (figures for Greece have been included for the record).



Per capita consumption of certain agricultural products

	Consumption in kg / head / year				
	EUR 9	Highest and lowest national consumption figures in EUR 9	Greece	Portugal	Spain
Wheat	74	120 - 41	:	:	75
Potatoes	75	118 - 36	52	93	116
Sugar	37	48 - 28	22	26	31
Fresh milk products (excluding cream)	102	213 - 75	94	52	96
Butter	6	11 - 2	1	1	0.5
Eggs	14	17 - 11	:	4	17
Total meat	77	92 - 64	59	38	64
Total oils and fats	19	25 - 9	:	26	24
Of which olive oil	2.6	11.5- 0	15	2.2	8.4

1980 report on the agricultural situation in the Community, p.117

94. Clearly, these figures do not signify that the Community of Ten will meet the requirements of Portugal and Spain, since it remains to be seen how Portuguese and Spanish producers will react to the mechanisms of the common agricultural policy. They might, for instance, provide an incentive to the development of their agricultural production, in which case any expectations that northern producers may at present have about the creation of new outlets would be disappointed.

95. As the current debate on the 30 May 1980 mandate goes to show, a further imponderable is the actual shape the common agricultural policy will have assumed at the time of accession<sup>1</sup>. What will the price system and the guarantee mechanisms be like a few years from now? No-one can say at present. Yet the answer to this question will determine whether Spain or Portugal will or will not be able to provide outlets for northern products, just as it will determine the future fate of Spanish and Portuguese farmers. Take wine or olive oil, for example. How would producers of olive oil be affected by a tax on oils and fats of vegetable origin? We do not as yet know.

Would Spain's and Portugal's present trading patterns change after accession? Would they respect the Community preference? Again, we do not know the answers, yet they too will be instrumental in determining the future shape of the Community of Twelve.

<sup>1</sup>COM(81) 300 final - PE 74.770 - draftsman: Mr Delatte

96. All these examples serve to demonstrate the complexity of the problem. Another problem we should consider concerns the economic environment and, in particular, the instability of the money markets. The efforts made by the applicant countries to reduce their shortages of certain products (cereals, sugar, beef and veal) by improving national production could well be brought to nothing, especially if the system of monetary compensatory amounts, which, as far as prices are concerned, enables countries with a strong currency to overcome all competition from countries with a weak currency, is applied to them.

It was because of this system that Italy suffered a setback in the zootechnical field and, on a more general level, is now compelled to seek each year from the Community, amongst other support measures, a reduction of the import levy on maize from third countries.

97. The above observations demonstrate the complexity of the problem of enlargement for non-Mediterranean production and it will be realized that it will affect the present members of the Community as much as the two applicants for accession. A balanced solution will have to be found which will protect the agricultural products concerned and, at the same time, avoid a disproportionate burden on the Community budget. Only if this can be achieved will enlargement be a success.

## IX. RESEARCH

### (A) THE CONSTRAINTS ON MEDITERRANEAN PRODUCTION

98. Crop rotation and the vagaries of the climate have a decisive impact on yields and consumption.

At the beginning of the marketing year the producer never knows exactly what products he will be able to supply and what demand he will have to satisfy. These problems are compounded by marketing risks, which partly arise from the factors described earlier in this report, but are also ascribable to:

- the shortness of the marketing period;
- the perishable nature of the products concerned, which are seldom suitable for storage, which in turn makes market management extremely difficult;
- the absence of a genuine international market which could provide additional outlets for any large surpluses.

All these factors add to the vulnerability of farmers' incomes, a risk to which northern producers are never exposed to quite the same degree. In addition, the Mediterranean regions are seriously handicapped by various natural disadvantages, which nevertheless constitute a challenge to research. The measures that need to be taken are described below.

(a) Climate and the use of irrigation waters

99. The infrequency of rainfall rather than the volume, high temperatures and winds often produce droughts, which are made worse by the high salt content of certain irrigation waters. Water is without doubt the primary limiting factor of southern agriculture. In the Mediterranean area in particular, the presence or absence of water is decisive in producing two types of agriculture. Where irrigation is possible, very intensive cultivation results in a high crop density. Where it is not possible, and conditions are in addition particularly dry, extensive cultivation has increasingly had to be pursued, sometimes to the extent that desert conditions have been created (garrigues, moor and scrubland). The vine, however, is suited to intensive cultivation in arid conditions. Where the soil is suitable and conditions are less dry, cereals are cultivated.

This situation justifies attaching particular importance to research, not only into schemes such as the use of irrigation and windbreaks, but also into soil water deposits and implanting. It should be noted that there are serious deficiencies in the research undertaken or envisaged in these areas.

A further factor to be taken into account is that, while temperature and light conditions favour intensive production and the rapid growth of crops, there is a very real risk of damage from frost: research must be undertaken with a view both to developing methods of protection and to creating more resistant plant varieties.

(b) Meteorology

100. Another requirement is to ensure greater sophistication in meteorological observations and, more important still, in the use made of them in order to improve the effectiveness of weather forecasting, information and advisory services. If this is done, we can look forward to better farm management as well as to stricter control of the markets and more rational land use.

(c) Soil conditions

101. Soil types vary considerably and are often not properly understood. Some Mediterranean limestone soils, in particular, have unusual properties. Moreover, the nature of these soils and their exposure to sudden and heavy rainfall make them very susceptible to erosion. In some cases the practice of rotation, particularly where tree cultivation is concerned, has a negligible impact on this situation. The mineral intake of plants subjected to these conditions and its effect on the 'health' of the plant call for

exhaustive studies in the horticultural and tree cultivation sectors. The seriousness of the problem of 'soil fatigue', the characteristics of which are little understood, will doubtless be shown up shortly when some orchard land is due to be replanted. Research into the 'agronomy' of fruit growing and, in particular, of vegetable growing is one of the areas in which agricultural research is most backward. It is essential to develop such research substantially.

(d) A dry and mountainous 'hinterland'

102. There are areas in which the topography, arid conditions and in some cases, the nature of the soil<sup>1</sup>, have prevented the development of 'modern' agriculture. At one time they were often intensively farmed, at least in terms of labour and investment (terrace cultivation in Corsica, Provence and the Cévennes). They have been abandoned and once again lie fallow owing to the lack of an updated technology which would allow them to be cultivated under modern conditions. Admittedly, this state of affairs is not unique to the Mediterranean areas. We may note that it was at the instigation of Ireland that the EEC set up a working party to consider the problem. Nevertheless, it happens to be more of a problem in the Mediterranean regions because the various causative factors are all particularly serious.

For these inland areas the aim must be to improve quality and reduce the costs of production, particularly harvesting costs. The essential priorities are therefore:

- maximization of returns on nut trees (almond, pistachio, walnut, chestnut, etc.), for which the main difficulty is in reducing harvesting costs; experimentation with appropriate techniques is essential;
- development of sheep, goat and cattle farming by means of measures to improve existing species and better facilities for health protection, to include milking. It is essential that these measures be accompanied by an improvement in grazing, which means finding appropriate grass and legume seeds to provide mixtures adapted to the local soil and weather conditions.

<sup>1</sup>-----  
An example of such an area is the 'Champagne pouilleuse', which has become one of the most prosperous agricultural regions in France thanks to the spectacular advances made with chemical fertilizers.

103. For the last twelve years and, it must be said, often as a result of pressure from the 'ecologists', many studies have been produced dealing with these 'low-productivity' areas. At first they were purely descriptive. Subsequently, during a more constructive phase, studies were carried out in the Mezzogiorno with Community financial backing, as well as in Corsica, in the garrigues and in the 'chestnut grove' of the South of France, where attention was focused on zootechnical and forestry problems. These later studies call for a new methodology, with integrated surveys preceding any detailed analysis.

In the light of the conclusions of these studies, we might expect to see the emergence of schemes characterized by increased production, low investment and the limited use of internal factors of production. We might also quite legitimately expect to see a measure of economic recovery in certain regions. Moreover, efforts to recultivate large tracts of wasteland would revive tourism, and forest fires could be prevented, 'biologically' as it were, by combining forest with pastureland and by planting species of trees (chestnuts etc.) capable of arresting the spread of fires.

104. A return to animal farming, using established scientific methods and bringing together the zootechnical sciences, ecology and ethology - and at times ethnology - would be important from the socio-economic point of view. It would allow human activity to be maintained, if not expanded, in these areas. It would help provide animal products of which there is a shortage in Europe, while avoiding the use of expensive 'intermediate' feedingstuffs (soya, manioc, etc.). Some form of association with the rich areas would, as we have said, permit the introduction and consolidation of animal farming in zones where it is needed for the proper diversification of agricultural activity.

The abovementioned studies should be concerned mainly with sheep and goats, the animals most commonly reared in the Mediterranean regions for their meat and milk. However, they should not neglect other animals which, under certain conditions, could be reared profitably: the store pigs and breeds of cattle capable of 'producing' meat in the poor areas (mountains, scrubland, etc.).

105. Transhumance combines the problems of farming in the Mediterranean plains with those associated with farming in hill and mountain areas. Its importance is such as to warrant the introduction of a special multi-disciplinary research programme involving soil and plant experts, zoo-technicians and veterinarians, economists and sociologists. It would be highly regrettable if we were unable to use our existing knowledge and developing technologies to derive the maximum benefit from the vast solar collector that these areas represent throughout the Mediterranean region and the Third World.

106. There is very little timber production in these regions. We must overcome the problems at present posed by the woodland areas, however serious they may be (fire, erosion), and plan the development of a viable timber industry in an area at present dominated by the holly oak and scrubland, in particular by encouraging the planting of fast-growing species with valuable woods.

Our efforts must be directed towards fully replenishing the Mediterranean forests, whose devastation derives more from unchecked exploitation during the XIXth century than from contemporary outbreaks of fire.

(e) The impact of investment and of labour costs

107. -The cost of the acquisition of land is an important factor of production in the Mediterranean region, where land ownership is the general rule.

-Mediterranean agricultural production is highly labour-intensive, which tends to increase distortions vis-à-vis the other Mediterranean countries, in which labour costs are far lower. The characteristics of Mediterranean production have structural consequences which make adjustment more difficult and place farms in a more precarious position:

- the rigid land-ownership system and the size of the investments required are obstacles to expansion and restructuring;
- the consequence of product specialization is greater vulnerability to the vagaries of the climate and to market disturbances.

108. It is quite impossible to compare the difficulties facing Mediterranean production with the situation obtaining in other areas of agricultural production, because none is exposed to a combination of adverse factors such as those detailed above. Despite the remarkable progress it has made as a result of substantial improvements in productivity, Mediterranean agriculture is today in a state of crisis.

Increased productivity, even if it means incurring debts, is the only possible salvation for the farmer with a diminishing income. In such a situation, the crisis of overproduction is bound to be self-perpetuating.

From 1970 to 1976 the annual increase in gross income, expressed in francs at a constant level, was only 1.9% for fruit and 2.4% for vegetables, as against 3.8% for the rest of European agriculture.

In 1976 the Commission estimated the average income of farm workers at FF 17,500 in the Mediterranean sectors, as compared to FF 27,500 for the rest of the EEC.

The poorest regions of the two applicant countries have no equivalent in the EEC, not even in the west of Ireland or in the Italian Mezzogiorno.

109. In Spain, two cities on the northern coast, two on the Mediterranean and the capital practically monopolize the country's industrialization: Bilbao, Oviedo, Valencia, Barcelona and Madrid. The western and central regions of the country remain neglected.

Alentejo and neighbouring Estramadura in Portugal are very backward.

Despite Porto and Setubal and the efforts of Sinès and de Braga, almost all the benefits of Portugal's expansion accrue to Lisbon, which results in the depletion of the other regions.

There can be no doubt that the already acute distortions between the regions will become worse in the enlarged Community: from 1 to 6 at present to 1 to 11.

Since the EEC has a political duty and the requisite budget, the European Regional Development Fund (ERDF), it should make a huge effort to promote the development of the backward regions.

o

o o

110. Mediterranean agriculture is faced by other special difficulties which arise, not only from land problems and the precariousness of the markets, but also from natural handicaps, such as the frequently poor quality of the soil, insufficient rainfall and poor harvests.

In order to reduce the severity of these problems, technical improvements in farming methods can make a decidedly positive contribution, alongside the economic, legal, tariff and social measures that are normally envisaged.

(B) WHAT KIND OF RESEARCH IS NEEDED FOR THE MEDITERRANEAN REGIONS?

111. The necessary scientific and technical research work is to be recommended for two reasons:

- it is relatively inexpensive compared with market support measures, investment aid or direct aid,
- it will have lasting and beneficial results if correctly oriented. This is very well demonstrated by what has been achieved in California and the Netherlands.

On the other hand, such research work takes a fairly long time before it can be usefully applied. It must therefore be initiated as soon as possible. However, public opinion, and even the decision-making bodies, will accept the very heavy expenditure involved - however necessary it may be - only under the pressure of events. And then it will be too late. This is illustrated by the fact that the scientific and technical aid needed in 1960 in the pigmeat sector has still not been fully introduced.

Taking European agriculture as a whole, the Community is not promoting research on the scale necessary to maintain its present expansion and, in the longer term, to permit conversion to other forms of production.

This is a problem that particularly affects southern agriculture, since it suffers from the special handicaps to which we have briefly referred.

The problem is made all the more acute by the prospect of the enlargement of the Community, and measures will have to be taken to mitigate the additional difficulties liable to be created by the political decision to proceed with enlargement.



112. One such measure should be the development of agricultural research. This is already accepted by the Commission which, in its five-year programme for the coordination of agricultural research (1979-1983) included Mediterranean production among its ten priorities.

If the necessary results are to be achieved in Europe, it would be a mistake to rely, once again, on a hypothetical redeployment of resources, at the expense of research relating to the other regions or even long-term research: it is clear that these sectors are themselves already without sufficient funds.

Consequently, substantial extra resources must be allocated rapidly to the development of research relating to southern agriculture.

#### POSSIBLE GUIDELINES

113. The main objectives may be briefly summarized as follows:

- to maximize returns on traditional products since they are the mainspring of an economy based on small-scale processing by craftsmen,
- to make better use of the semi-arid inland areas which have been neglected during the past few decades of economic growth,
- to develop or create substitute products, which would make it possible to provide socially and economically acceptable alternatives to those products which are in surplus.

Generally speaking, while the extreme heterogeneity of environmental conditions and the very considerable diversity of production impose strict constraints on the working methods of the researcher, they may nonetheless be a positive factor in maintaining economic balance and ecological stability.

#### (a) Crops under glass

114. The degree of sophistication required in growing crops under glass and the high level of investment and high operating costs involved are factors that must be assessed in conjunction with the very stiff competition that has arisen in this sector among the Mediterranean countries themselves and between them and northern countries such as the Netherlands and even certain tropical countries: all these constraints call for a very high level of precision in the methods used and the integration of these methods, including methods of trade, into a comprehensive system.

The rising operating costs of growing crops under glass (direct energy) have meant that the cultivation of crops requiring protection is being transferred further south. Intensive research is necessary to promote out-of-season horticultural production and flower-growing using solar energy rather than direct energy,

(b) Fruit and vegetables

115. Fruit and vegetable production is of major economic importance.

More research is needed.

The sector is in a difficult position, since holdings are generally small and yields are low owing to the shortage of water. It is also vulnerable to competition from other European regions, and it is essential to develop methods of cultivation that will ensure its survival.

The harnessing and improved utilization of water resources must, in this respect, be a primary objective. Large water networks or small upland lakes may equally well be used for the expansion of irrigation projects; more complex systems might be installed and in some cases extended to non-irrigated areas, where cereals such as wheat, barley and sorghum might be grown, together with oleaginous and protein plants such as winter peas and sunflowers. In irrigated zones, in addition to maize and perhaps soya, thought might be given to catch crops of fodder maize and soya (grain or fodder). With the production of these plants, fresh impetus could be given to the development of livestock farming.

Such developments, which are essential for the survival of the regions under consideration, call for a whole range of research projects, to which insufficient thought is given whenever the problem of southern farming is raised.

The research undertaken must also aim to provide alternatives to certain intensively farmed crops, when a switch to other forms of production is essential for economic reasons.

The ultimate objective is not to prohibit irrigation but, on the contrary, to ensure that it is used in an economically sound manner. In Spain it should be discouraged for the production of crops which are already sensitive (fruit and vegetables, wine and olive oil). On the other hand it can be very beneficial for the production of crops of which there is a shortage in Europe, for example maize, certain oleaginous plants, and irrigated protein plants such as sunflowers and soya.

(c) New outlets - product adaptation

116. A growing proportion of agricultural products are industrially processed and sold far from the centres of distribution. In the case of fruit and vegetables, which are fragile and perishable foodstuffs, this gives rise to special problems, and the characteristics they are expected to display are sometimes very different from those which are acceptable to the traditional market in fresh products. It may be easier to envisage further mechanization, but this also poses production problems.

Should specialized varieties or two-purpose varieties be produced? The geneticists, together with the phytotechnicians, the economists and the technologists, should study the various aspects of this problem.

The staggering of harvests is also an important requirement. In the case of some species (apricot trees, for example), this is difficult, but extremely desirable. The competition from regions lying still further to the south has made the cultivation of some 'early' products unprofitable and thought should be given to developing certain late-season varieties.

117. The problem is made particularly difficult by the fact that surplus products are generally those that are intensively cultivated (wine, fruit and vegetables). However, other forms of production should be possible with the range of technologies presently at our disposal. For instance, in Corsica, the clementine would be an almost ideal substitute for the vine. The production of certain seeds, to which the southern climate is particularly favourable, would give a high yield per hectare. The breeding of certain animals would enable a family to make a living on a relatively small holding. The rearing of pigs (there is a national and regional shortage of pigmeat), intensive sheep-farming on irrigated plains (meat and milk) and the rearing of goats are some examples. Sugar cane production in Provence could possibly meet some requirements and help reduce our shortage of cellulose.

But there are also medium-sized farms which could adapt just as well to the growing of vines, fruit and vegetables as to large-scale cultivation. The application of efficient large-scale farming techniques, coupled with livestock farming in nearby marginal zones, would probably allow a certain amount of conversion: techniques must be established and appropriate models developed.

118. One possible alternative would be the production of nuts which can be grown in dry regions (almonds and, in particular, pistachios) and could therefore be substituted for olives.

Nuts can also be grown in irrigated areas (hazelnuts, walnuts and almonds) and could replace other irrigated crops (tomatoes, citrus fruit and peaches).

There is a general shortage of nuts in the whole of the Community and the Mediterranean region. Europe imports 50,000 t. of almonds (from the USA). There are not enough pistachios to meet demand. France alone imports 40,000 t. of hazelnuts and Europe imports 35,000 t. of walnuts.

Measures are therefore required in two areas: technical measures to modernize production and economic measures to provide producers with appropriate price guarantees taking into account the perennial nature of the crops and the guarantees provided for competing crops in Europe

(d) Marketing improvements

119. Better knowledge of the markets and an efficient trading organization are, of course, essential. Economic research can do much to help streamline our commercial system.

It is essential, in this connection, to promote products for which there are market outlets. This will require technical measures aimed at:

(1) Quality improvement

- probably the greatest problem will be to improve the quality of specifically

southern products, which in many cases are 'luxury' products (wine, green vegetables, fruit, foie gras, truffles, flowers, etc.)

- special problems arise, particularly where protected crops are concerned, when the methods of cultivation used are so intensive that, unless care is taken, the quality of the product is likely to be impaired. The danger stems from high temperatures, abundant irrigation, the excessive use of fertilizers and crop-spraying, etc. The forcing of plants can have disastrous results in certain sectors (vines, fruit).

It is necessary, therefore, to step up research in this area, notably by aiming at genetic improvements and the creation of varieties of superior quality.

## (2) Technological improvement

- Transport and marketing: here conditions could be improved, in terms of quality and cost, by means of a more rational use of refrigeration techniques and through a better understanding of physiological and pathological factors after harvesting. Techniques for packing products under controlled atmospheric conditions up to the point of sale should be elaborated and developed. The homogeneity of a consignment of fruit and vegetables is no longer enough, if it relates merely to colour, grade, appearance and even organoleptic properties: homogeneity in terms of the physiological state of the products will become an increasingly important requirement. The study of this problem, which has already begun with tomatoes, should be speeded up and extended to other plant varieties.
- Processing: the failure of a large industry concerned with the processing of southern fruit and vegetables suggests that in future this will be taken over by medium-sized concerns, which are better able to cope with our 'piecemeal' production. Most of the species present specific problems, each requiring adequate study and research. For example, the detailed characteristics of the tomato must be studied, as must the new apricot varieties intended for the preparation of fruit in syrup, the suitability for deep-freezing of fruits intended for processing, the preparation of green olives, pickling techniques, deep-freezing by using the cold resulting from the gasification of imported methane, the processing of rice, the characteristics of durum wheat intended for pasta-making, etc.

120. It may seem surprising, à propos of southern products, to refer to the milk industry. However, ewes' milk is a Mediterranean speciality. But, however prosperous it may be, this industry, in common with all monopolistic concerns, is economically unhealthy and is not conducive to the development of a product that could provide a substitute for certain surplus products. A diversified technology for ewes' milk should therefore be created.

Naturally, wine holds an important place in these technological considerations. The point that quality will largely determine the future of this product has often been stressed and need not detain us here. The production of concentrated musts opens up interesting prospects from the point of view of storage. Moreover, these musts could be promoted as an acceptable substitute for sucrose (180,000 tonnes of sucrose = 10 m hl of wine at 9°). Heating of the grape crop in the wine-making process; the selection of yeasts; the use of different wine products (fruit juices, colorants of the marc) - these are all matters which justify the development of technological research, which should also be better coordinated with the work of the professional organizations.

Research into the treatment of surpluses is also necessary. Surpluses are unavoidable, bearing in mind the physiology of the plants cultivated and regional climatology. Although destruction would probably be the least expensive method of disposal, it is hard to accept and we should endeavour to think up less objectionable methods.

However, since the production of alcohol of agricultural origin is the only possible means of rectifying partial or total imbalances and since the production of ethyl alcohol has a negative energy yield, the EEC must, pending the completion of new research projects, keep this outlet open to the extent necessary to contain as far as possible the surpluses of certain Mediterranean agricultural products resulting from harvest yields that are always highly unpredictable.

121 . While specialization among research workers is essential, there must at the same time be an effort to develop integrated studies. This is vital for the majority of southern products, both because of the complexity of some of the techniques used (particularly as regards protected forms of cultivation) and because of the urgency of finding global solutions: time is short and these integrated studies can not be allowed to emerge as it were spontaneously.

In addition to strengthening the research team proper, it is therefore necessary to form other teams capable of studying and developing integrated systems of production, using the special new techniques that would become available to them.

122. . It is essential to consider the system of farming, particularly where it involves intensive cultivation, as a whole, given that the interplay of the various factors involved - species and varieties cultivated; the physical environment; adventitious fauna and flora; special schemes introduced by individual farmers in association with the professional organizations - is so decisive. The success of Alenya has been spectacular, but the financial burden is mainly borne by INRA. It would be unrealistic to expect the research

budget to be able to finance both the research work and the integrated studies. In this connection, the example of Torreilles is more realistic: the local authorities meets all expenditure, while the INRA provides the director, who, in addition to assuming overall responsibility, ensures liaison with the entire INRA regional and national network. The example we have given here is of an experiment carried out in the south of France, but similar experiments are also under way in other Mediterranean regions of the Community.

123.. This ' model' should be extended to most production areas, although more attention should be paid than in the past to plant health problems, especially where they concern fruit tree cultivation, flowers, vegetable growing and the various aspects of sheep-rearing. Thought might also be given to the setting up of experimental stations to study the possibility of bringing arid land under cultivation.

The legal status and the financing of these experimental stations would have to be decided in the light of the relative importance of the projects to be undertaken by them and of the benefits likely to accrue to the various interested public and private organizations.

124.. Various proposals concerning these stations have been put forward by the professional organizations, the regional councils and the competent government departments. This awakening of interest in the technical aspects of the relevant agricultural problems, which have too often been neglected and scorned, is reassuring. However, the decisions to be taken will have to be adequately coordinated, both as regards the inter-regional distribution of the stations - which will be expensive to run and require competent staff - and as regards their organization and the necessary liaison with all the professional or public services affected by the problems under consideration.

#### X. CONCLUSIONS

125. In this report we have tried to assess the problems raised by the enlargement of the Community. We have considered the impact of enlargement on Mediterranean agricultural production and on relations with the countries of the Mediterranean Basin, as well as a variety of other problems, such as those associated with research, which are of considerable importance for the agriculture of southern Europe.

126. This report does not claim to be exhaustive. It has simply sought to outline certain problems which its author considers to be particularly important. He hopes that it will serve as a basis for a fruitful debate with a view to ensuring that the enlargement of the Community is accomplished under the best possible conditions for the farmers concerned.

The success of the next stage of enlargement is also essential for the consolidation of democracy, not only in Spain and Portugal, the two countries still awaiting accession, but also in the world at large, in which the dangers of a new conflict have still to be dispelled. The reconciliation of North and South, of East and West, should be the main preoccupation of the European Community for the remaining years of this century.

o

o

o

WORKING POPULATION

Population (1977)	EUR 9	EUR 12	Greece	Portugal	Spain
Total population (millions)	259.2	314.2	9.3	9.2	36.6
Civilian employment (millions)	101.7	121.1	3.2	3.8	12.4
Civilian employment as % of total population	39 %	39 %	41 %	34 %	34 %
Workforce in farming and fisheries (millions)	8.3	13.0	0.9	1.2	2.6
Workforce in farming and fisheries as % of total civilian employment	8 %	11 %	28 %	32 %	20 %

PRODUCTION OF CERTAIN AGRICULTURAL PRODUCTS

'1976'

(1,000 t)

	EUR 9	EUR 12	Greece	Portugal	Spain
Cereals (total)	98,367	118,059	3,672	1,383	14,637
Sugar (raw equivalent)	11,351	12,767	329	12	1,075
Olive oil	540	1,291	264	47	440
Wine (for consumption as such)	140,693	179,561	4,460	8,204	26,204
Citrus fruit	2,955	6,741	788	153	2,485
Fresh grapes	23,498	29,405	1,558	32	4,317
Apples	8,669	10,002	264	130	939
Peaches	2,204	2,734	333	58	319
Tomatoes	4,637	9,102	1,370	787	2,308
Potatoes	33,549	41,154	935	1,044	5,626
Pigmeat	7,943	8,793	106	82	662
Beef and veal	6,513	7,149	118	84	434
Poultrymeat	3,189	4,080	88	116	687
Eggs	3,750	4,510	103	47	610
Cows' milk (whole, fresh)	99,726	106,172	729	534	5,183



FINAL AGRICULTURAL PRODUCTION

(%)

Population (1977)	EUR 9	EUR 12	Greece	Portugal	Spain
Breakdown by product sector (excluding forestry) of final agricultural production	(1977)		(1976)	(1976) <sup>1</sup>	(1977)
Meat	35.7	34	18.0	26.0	24.6
Vegetables including potatoes	10.0	11	12.3	11.5	18.0
Fruit, including citrus	4.4	5	4.4	10.3	9.9
Cereals, including rice	11.3	11	13.5	10.4	9.6
Milk	19.6	18	8.2	8.9	8.6
Eggs	3.9	4	2.7	2.7	4.0
Wine	4.6	5	2.3	10.1 <sup>2</sup>	4.0
Olive oil	1.0	1	7.6	3.6	3.2 <sup>3</sup>
Others	9.5	11	31.0	16.6	18.1
Total	100	100	100	100	100

<sup>1</sup>Mainland Portugal only<sup>2</sup>Including potable spirits<sup>3</sup>All vegetable oils

Source: 1980 report on the agricultural situation in the Community, pp. 114 and 115

IMPORTS FROM EEC 1979

(tonnes)

				M A G H R E B			M A S H R E Q					
	Cyprus	Malta	Turkey	Algeria	Morocco	Tunisia	Egypt	Jor- dan	Syria	Leba- non	Yugos- lavia	Israel
Foodstuffs	314,506	16,814	360,717	46,069	794,879	92,739	255,229	462	11,962	2,622	227,013	949,216
Beverages and tobaccos	13,622	692	21,037	26,774	12,013	19,464	42	-	83	732	59,258	662
Raw hides and furs	178	235	50	14	24	333	115	72	2,791	938	1,631	48
Oil seeds, nuts, kernels	86	-	1,858	-	11	139	3,871	-	299	474	19,153	6,827
Crude natural rubber	-	168	-	-	-	-	-	-	-	-	-	-
Wood and cork	113	314	425	210	19,016	963	-	498	469	-	130,506	162
Natural textile fibres	57	341	74,606	8	736	286	35,483	10	31,570	290	6,608	22,760
Animal or vegetable raw materials	877	224	19,092	220	14,751	2,926	4,661	6	1,037	291	34,803	27,803
Fats, greases, oils	51	118	10,915	373	8,778	71,126	205	42	-	5	26,655	2,218
Starches, inulin, gluten	-	-	6	-	-	-	-	-	-	-	-	-

EXPORTS TO EEC 1979

(tonnes)

				M A G H R E B			M A S H R E Q					
	Cyprus	Malta	Turkey	Algeria	Morocco	Tunisia	Egypt	Jor- dan	Syria	Leba- non	Yugos- lavia	Israel
Foodstuffs	115,461	84,667	4,775	1262989	1137950	383,788	1335067	159798	491569	269071	139865	254,121
Beverages and tobaccos	5,220	9,405	1,063	1170	5029	718	16558	2498	1039	7351	3057	6,596
Raw hides and furs	19	336	923	910	3	270	164	19	212	1012	9902	435
Oil seeds, nuts, kernels	10	87	8	63	103	1	25	-	-	21	1335	59
Crude natural rubber	3	2	64	179	55	175	64	-	-	-	785	19
Wood and cork	496	1,468	97	20479	24691	5,827	11583	982	46	986	7597	3,617
Natural textile fibres	98	77	1,587	1639	4151	763	82	48	895	474	4035	586
Animal or vegetable raw materials	131	310	240	6455	2196	550	508	757	1217	989	10604	968
Fats, greases, oils	1,779	1,129	22,290	92194	41812	19,470	20814	2008	8343	7306	8763	12,606
Starches, inulin, gluten	572	1,819	225	316	113	1,943	2828	218	235	654	411	239

IMPORTS FROM EEC 1979

(1,000 EUA)

				M A G H R E B			M A S H R E Q					
	Cyprus	Malta	Turkey	Algeria	Morocco	Tunisia	Egypt	Jordan	Syria	Lebanon	Yugoslavia	Israel
Foodstuffs	92,363	4,217	330,535	14,981	364,320	52,416	54,455	205	5,474	1,497	205,220	378,420
Beverages and tobaccos	10,762	5,862	41,465	13,773	4,538	6,935	65	-	191	1,256	31,248	677
Raw hides and furs	332	291	38	108	476	637	185	270	12,471	2,282	367	145
Oil seeds, nuts, kernels	94	-	1,365	-	12	68	2,105	-	210	245	4,794	5,507
Crude natural rubber	-	162	-	-	-	-	-	-	-	-	-	-
Wood and cork	35	48	100	27	1,451	321	-	66	112	-	156,786	71
Natural textile fibres	83	350	76,132	23	1,296	79	54,411	11	30,766	460	3,743	24,981
Animal or vegetable raw materials	308	1,189	21,608	409	10,813	4,256	5,378	15	7,373	2,715	26,015	81,251
Fats, greases, oils	48	41	11,058	280	4,344	75,027	153	80	-	9	9,933	1,411
Starches, inulin, gluten	-	-	7	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>104,026</b>	<b>12,159</b>	<b>482,306</b>	<b>29,602</b>	<b>387,250</b>	<b>139,739</b>	<b>116,752</b>	<b>648</b>	<b>56,596</b>	<b>8,463</b>	<b>438,104</b>	<b>492,465</b>

EXPORTS TO EEC 1979

(1,000 EUA)

				M A G H R E B			M A S H R E Q					
	Cyprus	Malta	Turkey	Algeria	Morocco	Tunisia	Egypt	Jordan	Syria	Lebanon	Yugoslavia	Israel
Foodstuffs	35,744	38,868	6,554	290,348	178,824	84,821	304,612	80,161	130,318	91,201	87,440	79,844
Beverages and tobaccos	9,261	18,378	2,849	3,914	5,080	2,341	15,300	3,106	2,967	11,384	6,964	7,165
Raw hides and furs	34	266	1,727	1,074	22	443	202	34	408	1,784	15,322	1,345
Oil seeds, nuts, kernels	7	31	11	32	39	7	26	-	-	17	934	47
Crude natural rubber	3	1	79	316	75	179	81	-	-	-	1,218	19
Wood and cork	151	419	33	3,878	3,853	1,437	1,707	391	18	227	3,097	646
Natural textile fibres	66	109	2,496	3,201	10,635	1,750	179	94	1,961	1,904	6,779	1,235
Animal or vegetable raw materials	592	379	972	6,653	6,445	1,731	1,526	1,482	3,561	2,454	23,674	2,761
Fats, greases, oils	1,771	971	12,051	46,905	19,981	10,059	12,599	1,507	5,348	5,879	7,659	7,499
Starches, inulin, gluten	127	187	38	58	45	296	416	39	40	110	133	50
<b>TOTAL</b>	<b>47,761</b>	<b>59,662</b>	<b>26,851</b>	<b>356,379</b>	<b>225,000</b>	<b>103,067</b>	<b>336,649</b>	<b>86,811</b>	<b>144,623</b>	<b>114,962</b>	<b>153,223</b>	<b>100,608</b>

## FOODSTUFFS, BEVERAGES AND TOBACCO

## EXPORTS TO EEC 1979 - 1000 ECU

	EUR 9	EUR 6	D	F	I	NL	B*L	UK	IRL	DK
- Spain	314,661	231,912	40,265	111,307	19,276	46,493	14,571	58,008	5,773	18,968
- Greece	243,281	204,697	49,646	30,695	19,251	94,896	10,209	22,155	5,558	20,871
- Portugal	100,310	81,267	5,970	38,547	8,154	16,229	12,367	11,601	936	6,506

## IMPORTS FROM EEC 1979 - 1000 ECU

- Spain	1,434,935	1,068,555	343,409	435,297	92,457	129,600	67,792	334,704	6,187	25,489
- Greece	412,247	307,981	174,614	40,880	40,653	35,206	16,628	95,004	2,520	6,742
- Portugal	190,373	130,750	27,273	48,527	25,966	11,941	17,043	48,074	1,392	10,157

## MAIN IMPORTS OF FRUIT AND VEGETABLES

## FROM THE 3 APPLICANT COUNTRIES

(1978, 1000 KG)

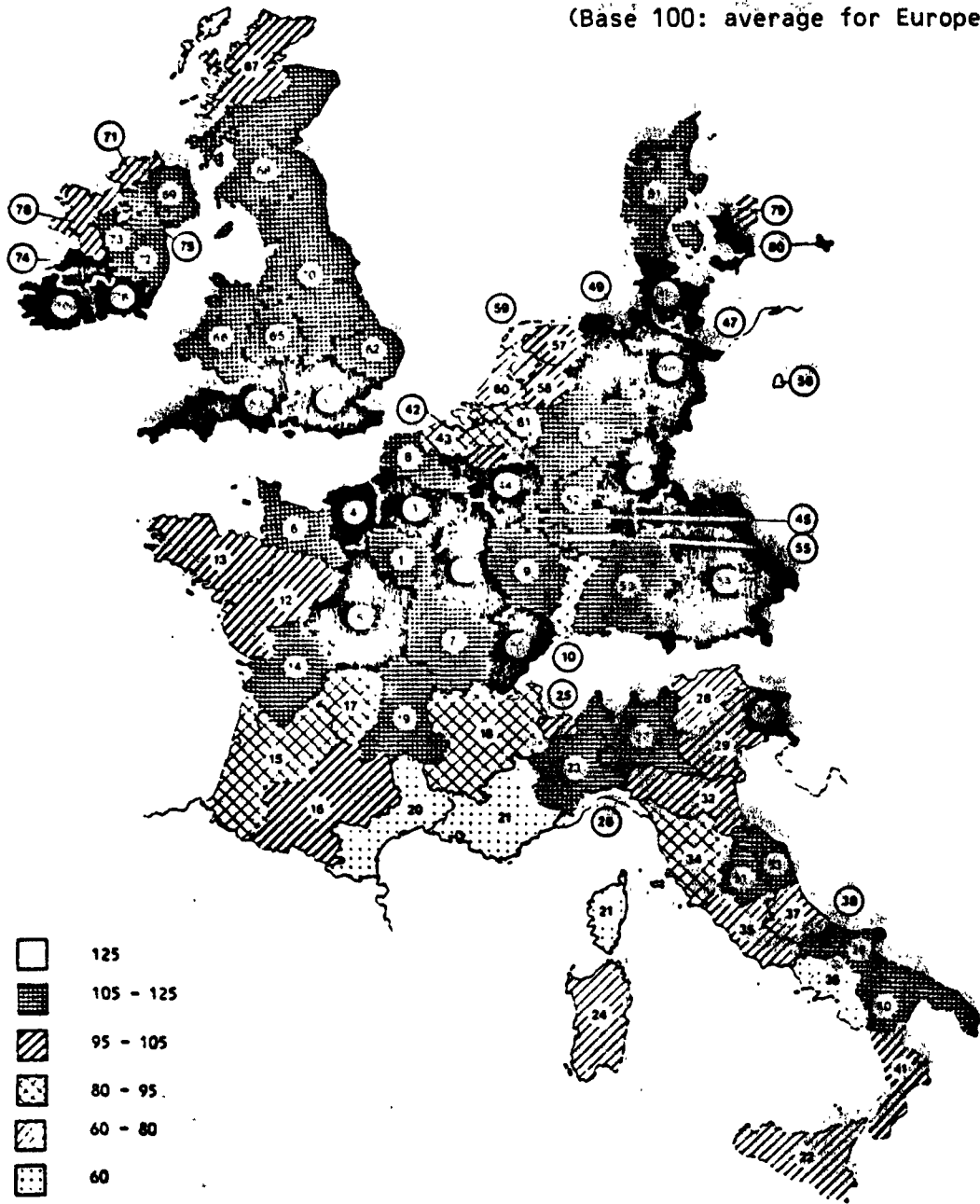
	SPAIN	GREECE	PORTUGAL	TOTAL	GRAND TOTAL THIRD COUNTRIES	% APPLICANT COUNTRIES
<b>FRUIT</b>						
- Oranges	784,687	34,873	-	819,560	1,845,289	44.4
- Mandarines, clementines	503,517	-	244	503,761	621,130	81.0
- Lemons	172,283	7,054	-	179,337	245,093	73.0
- Apples	10,173	2,729	1,704	14,606	455,384	3.2
- Fresh grapes	44,400	42,056	-	86,456	129,145	67.0
- Dried grapes	243	85,477	-	85,720	214,884	39.8
- Figs, fresh or dried	191	3,355	652	5,198	25,858	20.0
- Pears	14,945	-	-	14,945	80,487	18.6
- Peaches <sup>1</sup>	9,008	110,783	-	119,781	122,964	97.4
- Apricots <sup>1</sup>	4,727	12,771	-	17,498	22,454	78.0
<b>VEGETABLES<sup>1</sup></b>						
- Early potatoes (1/1 - 30/6)	86,364	62,213	-	148,577	541,066	27.5
- Peas (1/9 - 31/5)	2,002	-	-	2,002	2,949	67.9
- Beans (1/10 - 30/6)	21,374	-	-	21,374	34,109	62.7
- Carrots and turnips	18,601	536	-	19,137	54,047	35.4
- Onions	175,165	-	-	175,165	412,988	42.4
- Garlic	2,711	-	-	2,711	10,954	24.7
- Artichokes	34,394	-	-	34,394	34,958	98.3
- Tomatoes (1/11 - 14/5)	66,338	-	-	66,338	290,398	22.8
- Tomatoes (15/5 - 31/10)	15,713	-	-	15,713	55,242	28.4
- Cucumber (1/11 - 15/5)	4,531	23,827	-	28,358	77,745	36.4
- Sweet peppers	12,196	11,088	-	23,284	68,084	34.2
- Aubergines, marrows and pumpkins	28,135	-	-	28,135	47,414	59.3
- Tinned tomatoes <sup>1</sup>	67,758	59,394	38,175	165,327	220,675	75.0

<sup>1</sup> 1977

ANNEX 6

Regional indexes of aid to  
agriculture from the different  
market organizations of the CAP

(Base 100: average for Europe as a whole)



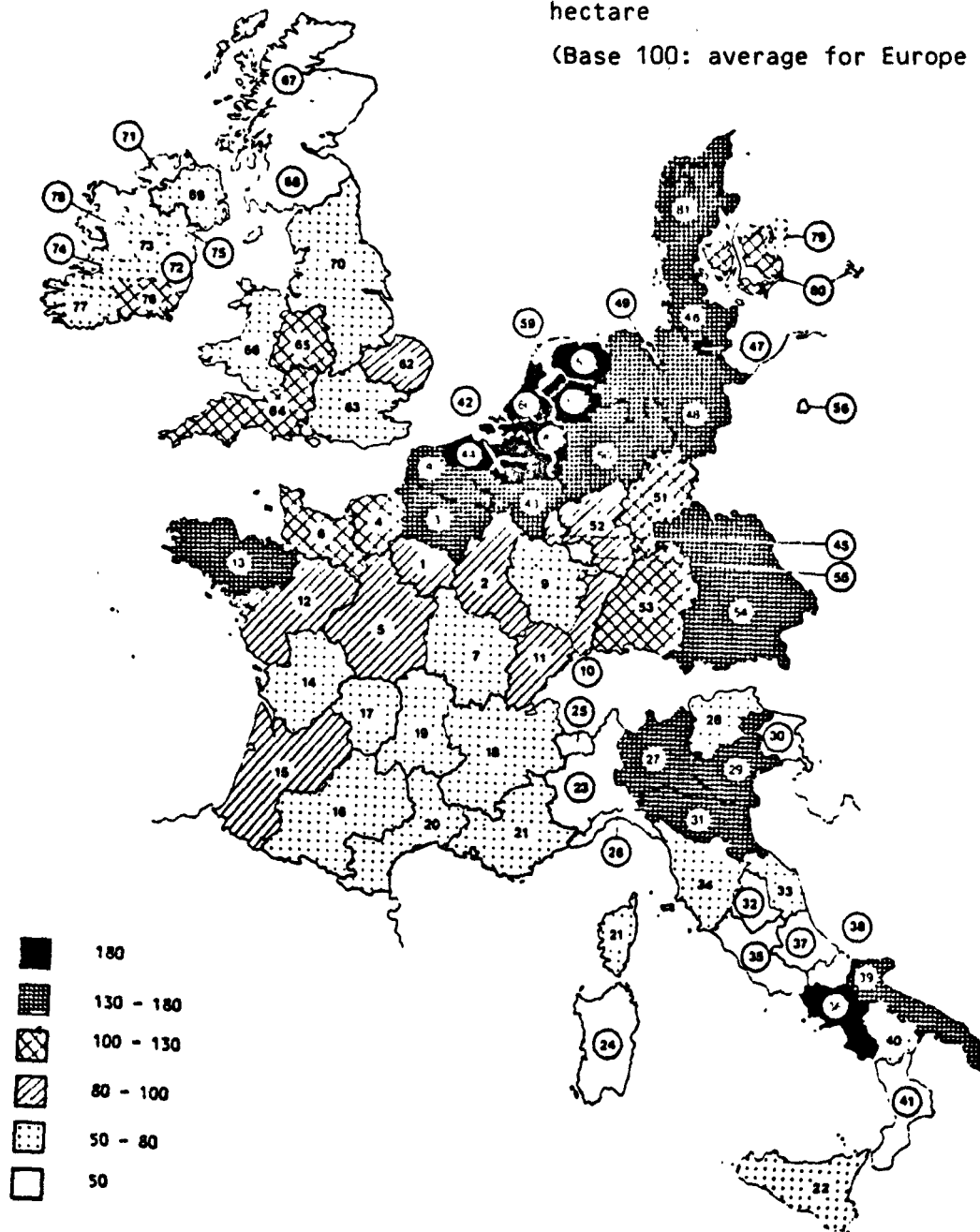
No. 1

PE 75.211/in./Ann. 6

ANNEX 6 (contd.)

Regional distribution of aid from the  
EAGGF Guarantee Section 1976-1977, by  
hectare

(Base 100: average for Europe as a whole)



NO. 2

ANNEX 6 (contd.)

Regional distribution of aid from the EAGGF Guarantee Section 1976-1977, by manpower unit

(Base 100: average for Europe as a whole)

