

Newsletter on the Common Agricultural Policy

No. 9

July 1968

Contents

	<u>Page</u>
<u>New Commission proposals for directives on agricultural and horticultural seeds and seedlings</u>	2
 <u>Reviews</u>	
<u>Internal Information on Agriculture Series</u>	
No. 21: Access to farming	5
No. 22: Citrus fruit in the Mediterranean area - Production, trade, markets	7
No. 23: Large-scale livestock production in the EEC	9

NEW COMMISSION PROPOSALS FOR
DIRECTIVES ON AGRICULTURAL AND
HORTICULTURAL SEEDS AND SEEDLINGS

On 14 June 1966 the Council, acting on a proposal from the Commission, adopted four directives on the marketing of beet seed, herbage seed, cereal seed and seed potatoes. At the same time it set up a Standing Committee on Agricultural, Horticultural and Forestry Seeds and Seedlings.

Then, on 9 April 1968, the Council adopted a directive on the marketing of material for the asexual multiplication of vinestock.

A third step along the road to harmonizing legislation on agricultural seeds and seedlings has now been taken by the Commission, which has submitted a further "package" of proposed directives to the Council. These include proposals for the following:

1. A directive on the marketing of seeds of oil-bearing and fibrous plants;
2. A directive on a common catalogue of varieties of agricultural seeds and seedlings;
3. Four directives amending Council directives dated 14 June 1966 on the marketing of beet seed, herbage seed, cereal seed and seed potatoes;
4. A directive on the marketing of vegetable seed.

1. The proposal on the marketing of seeds of oil-bearing and fibrous plants is designed to bring this sector within the ambit of Community rules. It is closely patterned on the directives already adopted, in particular the one dealing with herbage seed.

In future, marketing within the Community will be confined to approved seed ("basic seed" and "certified seed" and, for certain varieties, second- and even third-generation seed). Approved seed is seed that has been officially tested for varietal identity and purity and to see whether or not it meets certain minimum requirements.

It will not be possible as yet to meet demand for certain varieties with approved seed. For the time being, therefore, the marketing of "commercial seed" accompanied by a guarantee of identity and external quality will be permitted.

Provisions with regard to official sampling, sealing and labelling follow the pattern of existing directives. The same is true of the remaining provisions such as the clause dealing with temporary difficulties caused by seed shortages, with seed used for multiplication abroad, with the identical treatment of seed from non-member countries, and the establishment of Community trial stations.

2. The directive on the establishment of an EEC catalogue of varieties of agricultural seeds and seedlings is to comply with the provisions of existing directives which require that a catalogue of this kind be compiled by 1 January 1970 at the latest.

The proposal covers all the agricultural varieties for which directives have already been adopted or submitted, including oil-bearing and fibrous plants.

The common catalogue of varieties is to be based on national catalogues, which will in turn be compiled in accordance with harmonized conditions for admission, and harmonized standards and procedures.

Before it can be approved and its marketing permitted, a variety must be distinct from other varieties and must be stable and sufficiently homogeneous. It must also have an acceptable value for cultivation; in other words it must be an improvement on existing varieties.

The proposed directive provides for the harmonizing of criteria for admission to the catalogue and of provisions on variety testing, the length of time for which a variety is approved, the withdrawal of approval and deletion from the catalogue, and on selective conservation. The Member States will keep each other informed of varieties admitted to their catalogues and will co-operate with each other in the matter of inspection.

In future, a variety will be admitted automatically to the EEC catalogue of varieties if it has been approved in at least two Member States. Provision has been made for the admission of "old" varieties if they have proved their worth in agriculture. They will be regarded as having done so if for three harvest years from 1965 they represent 3% of the total area successfully tested on all trial stations in at least one Member State.

The Commission will be required to publish lists of those varieties which can be freely marketed within the Community in the official gazette of the European Communities under the heading "Common Catalogue of Agricultural Varieties".

A special clause allows any Member State to ban the marketing of seeds of any variety if they present a danger to the health of human beings and animals or to plant life, or if they have no value for cultivation and use on its territory.

3. The directives amending the four existing directives have been made necessary first of all by the compilation of the common catalogue of varieties.

In addition, some new herbage and cereal varieties have been included, for which minimum requirements are to be fixed.

Further amendments introduce certain relaxations and bring the old directives into line with the latest developments.

4. The directive on the marketing of vegetable seeds and seedlings is designed to introduce definitive rules for this sector.

Provision is made for the compilation of a common catalogue of vegetable varieties corresponding to the catalogue of agricultural varieties. Value for cultivation will not, however, be one of the conditions for admission to the national catalogues. Consumer preferences play a decisive role in assessing the value of a vegetable variety, and consumer preferences vary from one region to another.

The common catalogue will be compiled by amalgamating the six national catalogues.

As for the testing of seeds and seedlings, provision has been made - as in the case of agricultural varieties - for "basic seed" and "certified seed" categories and an additional one known as "standard seed". Standard seed will be the responsibility of the seller and will only be subjected to post-control trials to establish varietal identity and purity; "basic seed", on the other hand, is subjected to 100% official inspection and "certified seed" to at least 20%.

As to the other provisions for vegetable seed, the arrangements for sealing and labelling packages of standard seed and certified seed differ from those in previous directives. It is intended to leave these matters to those responsible for distributing the seed, rather than introduce official arrangements.

5. All these new directives make provision for action by the Standing Committee on Agricultural, Horticultural and Forestry Seeds and Seedlings.

6. The Member States must incorporate these directives into their domestic legislation by 1 July 1969 at the latest - the same date as that laid down in existing directives.

REVIEWS

Access to farming

(Internal Information on Agriculture Series, No. 21)

In the individual Member States there are many regulations which, directly or indirectly, affect the prospects of those working in agriculture who want to become farmers themselves - in other words, their opportunities of buying or otherwise acquiring an agricultural holding, or of buying land.

This study outlines the legal, administrative, financial and tax provisions and practices in each Member State which influence access to farming, particularly for young farmers.

It goes on to compare the measures and provisions adopted in the six countries.

The author focuses on the existing regulations affecting persons and goods, bearing in mind where farms or land are available. The legal and financial conditions governing the acquisition of a farm or land are then reviewed. Lastly, the various allowances available and costs involved in acquiring a farm or improving it are related to the various steps to be taken in this direction. This leads on to the conclusions.

In many cases the regulations and practices governing the acquisition of agricultural holdings seem extremely fragmentary; they lack any basic overall view or inner coherence.

Access to a farm does not seem to have been regarded as the primary aim anywhere. The relevant provisions are almost always part of laws adopted with other ends in view. On the whole, therefore, the relevant provisions are anything but satisfactory, at national level at least.

There are virtually no provisions to encourage young farmers - provisions which take their circumstances and the difficulties they encounter in gaining access to agriculture into account - in any Member State. Broadly speaking, existing provisions are designed for the farming community as a whole.

The measures adopted by the individual Member States are often very different - indeed they sometimes contradict each other. In some areas, nevertheless, the basic features of these measures are rather similar.

Existing legal machinery offers farmers in the individual Member States a wide variety of contracts whereby they can gain access to agricultural holdings in one way or another. It must be said, however, that these contracts are not completely suited to present-day agricultural requirements. Many of them stem from old laws, long traditions or time-honoured customs, or else they were designed to meet the needs of other branches of the economy (industry, trade) and are not easily adapted to the changing conditions and requirements of modern farming.

One of the most disturbing aspects of the present situation with regard to access in Community countries is the steady, rapid decline in agricultural area, particularly in densely populated regions. In many cases, however, in an attempt to do all that could be done to create favourable conditions for access to farms and guarantee to farmers, legislation created a situation where provisions were so restricting that they were no longer applied - indeed they were even ignored by the farmers they were designed to help.

At Community level, two types of action are called for with regard to legal provisions influencing access to agriculture:

- (a) The adjustment of these provisions to the requirements of modern agriculture and in particular to the needs of young farmers, so as to make it easier for the most capable sections of the farming community to take over under the most favourable conditions and to prevent a situation where young people would be systematically forced out of agriculture because they had no opportunity of gaining access to profitable holdings;
- (b) The harmonization of provisions in the individual Member States, or the adjustment of Community provisions, where existing inconsistencies may distort the conditions governing access to and the operation of agricultural holdings.

This study is available in French; a German translation is being prepared.

Citrus fruit in the Mediterranean area - Production, trade, markets

(Internal Information on Agriculture Series, No. 22)

As part of the programme of studies being carried out by the Directorate-General for Agriculture, a group of three experts - Professor F. Zito (Catania University), Professor H. Wilbrandt (Göttingen University) and M. R.M. Cadillat (Institut Français de Recherches Fruitières d'Outre-Mer, Paris) - were asked to examine the situation in the citrus-fruit industry in the Mediterranean area.

The study is mainly concerned with three groups of citrus fruit - (a) oranges and mandarins, (b) lemons and other types of citrus fruit, and (c) grapefruit - concentrating on fresh or processed fruit for human consumption. The study analyses the present position with regard to production, consumption and marketing of citrus fruit and trends in recent years; it also forecasts future developments. The review of consumption also covers those countries which traditionally import from producing countries in the Mediterranean area and others which are potential customers. This should also show how the Mediterranean countries fit into the world picture.

For many Mediterranean countries, production of and trade in citrus fruit, particularly trade with the EEC, provides an important source of income. Most of these countries plan to expand their citrus-fruit industries or are already doing so under programmes to develop and open up large rural areas. These plans and investments are based on the hope that markets can be found for this increased production, particularly in Western Europe.

The position of the producing countries in the Mediterranean area vis-à-vis the EEC varies enormously. Italy and France are members; other countries (Greece, Turkey, Algeria, Tunisia, Morocco) have special relations with the Community or with individual member countries or they enjoy preferential treatment on certain markets.

Despite many difficulties, caused mainly by incomplete statistics or the absence of statistical or other basic data, it was possible to draw sufficiently valid conclusions from the survey to provide a possible basis for future action by the Mediterranean countries with regard to citrus-fruit production and marketing.

In the last twenty years, production and consumption have increased considerably. A number of countries which did not traditionally grow these fruit have gone in for intensive production, mainly on irrigated land, and have won a place for themselves on the world market. Nevertheless, it is probable that some 70%

of the 12 to 13 million tons of citrus fruit which are likely to be produced in 1975 will be grown in the four main producing countries (Spain, Israel, Italy, Morocco).

Even if it proves possible to increase domestic consumption of citrus fruit in the producing countries of the Mediterranean area and to improve market outlets in importing countries - particularly the countries of Western Europe - which are already expanding sharply, there is a danger that there will not be enough outlets for all the fruit available in the Mediterranean area. Even the opening of markets in Eastern Europe might not be enough to absorb it all. The Mediterranean citrus-fruit industry could therefore be faced with severe marketing problems in the years ahead unless appropriate steps are taken.

In conclusion, the report discusses agreements or measures which could be taken at national or international level to prevent a serious deterioration of the market situation and ensure that the citrus-fruit industry is guided towards a more balanced structure.

The study is available in French; a German translation is being prepared.

Large-scale livestock production in the EEC

(Internal Information on Agriculture Series, No. 23)

In recent years livestock production has risen sharply in all member countries because of growing concentration in a relatively small number of enterprises.

This trend has affected the poultry and egg industries more than any other, but it is also seen in pigmeat and there is evidence of its spreading to veal and baby-beef production.

One feature of this development is an increase in production, which is now being carried out in ever-larger production units along almost industrial lines. Another, subsidiary, feature of this expansion of production is that non-agricultural firms are moving into this field. Were this trend to become more widespread, farm incomes would certainly feel the consequences.

With a view to arriving at a better understanding of the situation it was decided to examine the various aspects of these developments. The first results of this study have produced qualitative and quantitative data on the state and trend of overall production of pigmeat, veal and baby beef.

The study includes

- (a) a review of the present position with regard to pig, calf, and young cattle fattening;
- (b) the results of surveys carried out by experts in the Community countries on the number of large firms operating in these industries, broken down by size and category;
- (c) data on the growth of these firms since 1963 and the short-term changes to which they are subject;
- (d) data on the agricultural area at the disposal of these enterprises,
- (e) data on interlocking relationships between the agricultural and other economic activities of these firms.

The survey shows that the share of total output actually marketed accounted for by pig-fattening enterprises with 250 pigs or more ranges from 7% in the Netherlands to 38% in Italy. Non-agricultural enterprises represent only a small proportion of all these enterprises except in the case of Italy, where they represent 35%.

In the calf-fattening sector, production units with 150 head or more account for less than 2% of all marketed output in Germany, France and Italy, though the figures for Belgium and the Netherlands are 9% and 23%. In the Netherlands, however, more than 20% is produced by agricultural enterprises, though in more than half of these the owner of the fattening station does not own the animals. In Belgium and the Netherlands production in non-agricultural enterprises runs at about 2% to 3%.

The investigations have also shown that fattening of young cattle by large-scale enterprises is very limited, except in Belgium. In Belgium, a third of all young fat cattle come from herds of 150 animals or more, though most of them (27%) are fattened by agricultural enterprises.

The study shows that the formation of large production units in the pig industry has gathered momentum since 1965 and that no slackening of the trend is likely.

These production units are mainly on agricultural holdings, and it seems that this trend will continue. In France and Italy, however, there are a considerable number of enterprises associated with the milk industry which fatten pigs on a large scale. In the foreseeable future, however, firms which are not associated with agriculture are unlikely to play such an important role in this industry as some now do in the poultry industry. The main reason for this is the absence of sufficiently large and homogeneous herds of young pigs and the high cost of direct marketing by the enterprise itself.

Large herds of fat calves are found almost exclusively on agricultural holdings in all EEC countries. In the Netherlands, however, there are substantial numbers of animals "boarded out" in large non-farm enterprises. Concentration of agricultural holdings has increased appreciably since 1965, with formal agreements more common here than in the pig industry.

In beef and veal production, farms fattening young cattle in large herds are of very slight importance. The main reason for this is that it is very difficult to maintain an adequate flow of young animals because dairy cows are only kept in small numbers and for the most part by relatively small farms. The vast majority of production units with large herds in this industry are on agricultural holdings. In Italy, however, there is a growing tendency for very large herds of young cattle to be fattened outside agricultural holdings.

In the next few years the relatively small number of large herds of calves and young cattle for fattening is more than likely to rise in all Member States of the EEC, though not at the same pace as in the case of fat pigs.

On the basis of the trends outlined, it is safe to assume that the concentration of production in large units, now a feature of the fat pig, calf and young cattle industries, will persist in agriculture proper in the years ahead. Industrial-type enterprises which have already set up large production units in the industries mentioned are tied for the most part to pig breeding, or rather to pig fattening, because they use the by-products of the milk industry.

It seems unlikely, however, in view of present production conditions, that non-agricultural enterprises will take over and expand the fat pig, calf and young cattle industries in the near future; if they did, it would put production and market equilibrium in these industries in serious danger. This preliminary conclusion, however, is still to be confirmed by further basic surveys.

This study is available in German; a French translation is being prepared.

These studies can be ordered from the Directorate-General for Agriculture in the Commission of the European Communities, Directorate for Agricultural Economics and Legislation, Balance Sheets, Studies and Information Division, 129 rue Stévin, Brussels.
