



COMMON MARKET FARM REPORT

BELGIUM, FRANCE, GERMAN FEDERAL REPUBLIC, ITALY, LUXEMBOURG, THE NETHERLANDS

DAIRY AND BEEF REGULATIONS ARE SUBMITTED TO COUNCIL OF MINISTERS

The EEC Commission (see Glossary) this month presented to the Council of Ministers the first proposals for implementing basic regulations on dairy products and beef.

The basic regulations were adopted in a so-called "marathon" session of negotiations last December.

FOR MILK, the proposals call for upper and lower limits of national target prices (see Glossary) for the 1964-65 marketing year, based on the average price of milk off the farm paid to producers in the member states of the European Community in 1963 for all milk marketed.

To calculate prices, the national prices have been normalized by relating them to a single weight unit - an identical 3.7 percent butterfat content.

Prices will be adjusted to reflect price and market changes occurring through the early part of 1964 in each member state.

Once these adjustments are made, the highest price will be the Luxembourg figure of approximately 9½ cents per kilogram (kilogram equals 2.2 pounds) and the lowest price will be around the French figure of 8 cents per kilogram.

Italy would be authorized to delay fixing a target price for the coming season because - after a long period of stability - off farm prices have risen well above the seasonal price in recent months and it is not yet clear at what level prices will stabilize.

FOR BEEF AND VEAL, upper and lower limits of the guide price (see Glossary) are to be set for the 1964-65 marketing year, based on the weighted average of the prices prevailing on the markets for each member state between November 1, 1962, and October 31, 1963.

Since drought in the Netherlands and Germany in 1962 caused a sharp decline

FINAL PREPARATORY MEETING FOR GATT

A Common Market trade delegation comes to Washington March 5-6 for final preparatory meetings with United States officials prior to the opening of the GATT (General Agreement on Tariffs and Trade) sessions.

The GATT "Kennedy Round" of negotiations opens in Geneva, May 4.

Jean Rey, EEC Commissioner in charge of external relations, will head the trade group coming here. He will be accom-

panied by Sicco Mansholt (Vice President of the EEC Commission in charge of agriculture), Robert Marjolin (Vice President of the EEC Commission in charge of economic and financial affairs), Louis Georges Rabot (EEC Director General of agriculture) and others.

They will confer with Secretary of State Dean Rusk, Secretary of Agriculture Orville Freeman, the President's chief trade advisor, Christian Herter and many other U.S. government officials.

in prices, the EEC Commission has made necessary adjustments before reaching the following averages for each 220 lbs. live weight, excluding taxes:

	Cattle	Calves
Belgium	\$50.00	\$73.00
France	51.75	77.25
Germany	53.00	80.75
Italy	53.25	86.75
Luxembourg	52.25	74.00
Netherlands	47.75	74.75

In fixing the bracket for these prices, the Council must consider what guidance should be given to beef and veal production in the Community since consumption has risen substantially in the past few years.

From 1958 to 1962, per capita consumption in pounds per year has increased:

	1958	1962
Belgium-Luxembourg	49	58½
France	62	73
Germany	39	45½
Italy	27	35
Netherlands	38	49
Community Average	42	51

Of particular interest to American livestock producers and other non-member exporters of meat products is the fact that production within the Community fell off in certain areas in 1963 and a further decline in output is expected in 1964.

In terms of the ratio between dairy prices and beef prices, the situation in the Community has steadily moved against meat in recent years, except in France.

This is one reason why Community livestock producers are losing interest in beef output.

To remedy this trend, it is proposed that the pricing formula for beef reflect the average increase of milk prices from 1961 to 1963.

This would mean that the highest guide price for beef and veal would be in the neighborhood of \$59.25 per 220 pounds and the lowest price would be around \$53.25.

To increase the output of beef and veal by encouraging expansion in calf production and fattening without adopting a high price policy which would be counter to long-term objectives of balanced prices to both producers and consumers, the EEC Commission proposes that the top guide price for calves be \$87.50 per 220 pounds and the lowest price be \$75.00.

EEC Commission Submits Health and Sanitation Proposals on Meat Products

Draft directives concerning health problems in trade in fresh poultry meat and in other meat products have been submitted to the European Parliament and the Economic and Social Committee of the EEC.

The directives are another step in achieving a uniform health protection code to protect consumers.

Harmonization of standards will mean an added guarantee of quality for importing countries and should be of benefit to producers wishing to export to the member states of the Community.

Under the arrangements proposed, the responsible authority for each member state will approve and supervise slaughterhouses and factories and will withdraw approval if it is found that they fail to reach the standards laid down in the directives.

Sanitary inspection is to be carried out by a veterinary officer assisted in certain circumstances by persons specially trained for such work. Each consignment of poultrymeat or other meat products must be accompanied by a certificate of fitness for human consumption signed by a veterinary officer to provide assurance to producers, consumers and marketers that the responsible authority of the exporting country has seen that the rules set out in the directive have been observed.

Where, despite inspection, a consignment proves unfit for human consumption, or where the directive has not been complied with in the exporting country, the importing country may forbid the marketing of the consignment in its territory.

Until the Community regulations take effect, national supervision will be maintained in areas where closer study is still needed as in the use of antibiotics, oestrogens, tenderizers and ionizing or ultra-violet radiation.

Where there is a danger of spreading animal diseases, the new directives require each of the member states to ban the marketing of products in question and notify all other members of the Community.

Added rules for health control will be worked out later.

Member states must not apply health and sanitation rules on imports of meat products from non-member countries that are more lenient than the rules adopted within the Community.

In the case of poultry, Community rules have not yet been established for trade with non-member countries and trade in poultry cuts and prepared poultry meat.

The new directive covers only intra-Community trade in fresh poultry and chilled or frozen broilers, turkeys, guinea-fowl, ducks and geese.

Poultrymeat treated with hydrogen peroxide, chemical bleaching or coloring agents, antibiotics or preserving agents is banned.

The only exception to the new standards will be for poultry meat sold directly by the producer to the consumer.

In the case of other meat products, the directive applies to trade in items manufactured from fresh or chilled beef and veal, pork, mutton and lamb, and goats, together with any domestic solid-hoofed animals.

Community rules will be developed later for trade with non-member countries and with respect to cooked meat preparations and products manufactured from fresh meat of other animals.

The meat products directives pertain to conditions regarding the outfitting and operation of factories, the meat used in the manufacture of meat products, and the preparation and composition of such products, their storage and transportation.

Initially, the number of approved and EEC-regulated slaughterhouses may be limited. During the first three years, therefore, the member states may waive certain Community rules as long as national health protection regulations are maintained for processors.

A forthcoming proposal on antioxidants is under study at this time.

Many provisions are only temporary since there is not unanimous agreement among member government experts for a complete alignment of legislation to regulate health and sanitation standards.



WHAT OTHERS ARE SAYING

(Highlights of address by Sicco Mansholt Vice President of the EEC Commission, to the European Parliament in January.)

"...On behalf of the EEC Commission, I can say that we are very pleased that at the end of 1963, a year which was extremely difficult politically for our Community, the Council of Ministers showed itself ready to take decisions.

"The decisions it has taken are very far-reaching. They are not only of the utmost importance to our agriculture economically and technically, but are also, in the opinion of the EEC Commission, of great political importance to the Community.

"...And agriculture is undeniably the field in which decisions are most urgently necessary.

"I have already argued in this House that our Community is definitely not developing in equilibrium. In the industrial sector, tariffs are being automatically dismantled on the basis of the decisions taken in 1957, when the EEC Treaty was adopted. Consequently, intra-Community tariffs have dropped to about 40 percent of their original level; we are moving towards the establishment of our common external tariff; and we are today able to negotiate with non-member countries regarding protection for the entire industrial production of the Community.

"However, we are still unable to do this for agriculture. We still do not know in what direction our agricultural policy will develop, what the future level of protection will be. Hence we are not in a position today to negotiate with non-member countries in the agricultural sector.

"We had, it is true, built up common organizations for the markets dealing with about 40 percent of farm products, notably cereals, eggs, pigmeat, vegetables and fruit; but although the EEC Commission put forward proposals as long ago as 1962 for common organizations to deal with milk and milk products, rice, and beef and veal, the Council had still reached no decision, and it was therefore imperative that the relevant decisions should be taken by the end of 1963.

"In addition, early in 1962 the Council had taken decisions regarding the joint financing of the agricultural policy, but it had not yet been possible to adopt a single implementing regulation.

"This, too, was done December 23, 1963.→

"The Council has thus carried out the action program it had fixed May 9, 1963, which included adoption, before the end of the year, of the regulations for rice, beef and veal, and milk and milk products, and of the regulation for the fund to cover joint financing.

"...Furthermore, the Council has also authorized the Commission to negotiate on both industrial and agricultural products."
(to be continued)

RICE IMPORT PROPOSALS FOR ASSOCIATED COUNTRIES

The EEC Commission is pledged to take into consideration - in formulating the Common Agricultural Policy - the interests of countries associated with the European Community but not EEC members.

In connection with the new rice regulation, the Commission has noted that among the associated countries, the principal exporters of rice and broken rice are Surinam and Madagascar.

Consequently, the Commission proposal calls for granting a levy reduction on imports of rice and broken rice from all the associated countries of Africa, Madagascar and the overseas countries and territories like Surinam.

Since France already permits Madagascar to export a certain quota to France at French rice market prices, the Commission offers to place no levy on Madagascar exports to the EEC in the 1964-65 marketing season. Then, for the 1965-66 season, Madagascar will have to pay one-fifth of the levy applied to the other associated countries, two-fifths of the levy in 1966-67 and so on until a full transition is made.

GLOSSARY

EEC COMMISSION: The Commission (also known as the Common Market Commission) consists of nine members, one of which represents farm interests, whose task is to supervise the gradual establishment of a full Common Market in which trade restrictions will be abolished and all goods, services, capital and labor will circulate freely.

GUIDE PRICE: The price level to be sought for beef. Member governments are to aim as closely as possible at the guide price and keep it in mind when framing their domestic policies on the beef market. However, it is not a guaranteed price.

INTERVENTION PRICE: The support price level to be guaranteed producers by the Community.

TARGET PRICE: The base price for grains, determined in the marketing center of the region of the Community with the least adequate domestic supplies. During the transition period through December 31, 1969, target prices are fixed for each member country separately and, subsequently, for the Community as a whole. They are fixed before the winter sowing and come into force at the beginning of the marketing season for the crop.

THRESHOLD PRICE: Used for calculating levies, a threshold price is fixed at a level that will bring the selling price of imports up to the target level in the Community region with least adequate domestic supplies.

A copy of this material is filed with the Department of Justice, where, under the Foreign Agents Registration Act of 1938, as amended, the required registration statement of the Information Office, European Community, 808 Farragut Building, Washington, D.C., as an agent of the European Economic Community, Brussels, the European Atomic Energy Community, Brussels, and the European Coal and Steel Community, Luxembourg, is available for public inspection. Registration does not indicate approval of the contents of this material by the United States Government.



**europaean
community**

INFORMATION SERVICE WASHINGTON OFFICE
THE FARRAGUT BUILDING, WASHINGTON 6, D.C.

BULK RATE
U. S. POSTAGE
PAID
WASHINGTON, D. C.
PERMIT NO. 41445