



COMMON MARKET FARM REPORT

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

CO-ORDINATION OF NATIONAL FORESTRY POLICIES FORESEEN BY EEC COMMISSION

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The EEC Council of Ministers, composed of representatives of the member states, has been studying a Commission report on a co-ordinated Community forestry policy and the first proposals concerning forestry seeds and seedlings.

The Rome Treaty does not provide for a common policy for timber, but joint planning could be contemplated as part of the policy on agricultural structures. A forestry policy would aid in improving land productivity, the main factor in farm production.

WOODLANDS IN THE EEC

About 62.7 million acres or 21.6 per cent of the area of the Six are wooded. Density, composition and method of treatment vary widely from one area to another. Timber production totalled 116 million cubic yards in 1960, including 67.9 million cubic yards of timber for construction and industrial purposes.

EEC timber production falls far short of Community needs. In 1961 the deficit, which has grown each year, was the equivalent of 38.2 cubic yards of round wood in the form of imported rough and sawn timber and equal to an additional 62 million cubic yards of round wood in the form of pulp and paper.

Community woodlands are not solely used for timber production. They help prevent erosion and provide a valuable adjunct to farming. They are widely used as recreational areas.

PROBLEMS OF COMMUNITY FORESTRY

The Commission has pinpointed eight technical problems in forestry:

1. Regulations on forest seeds and seedlings should be harmonized to remove obstacles to trade resulting from differences of genetic or external quality. Stringent rules would help improve quality and productivity in reforestation.
2. Plant health regulations also need to be strengthened to facilitate trade and protect consumers.
3. Trade will benefit from the uniform classification of wood in the rough.
4. Sales and marketing conditions for wood in the rough must be harmonized for a genuine common market.
5. Accelerated programs should be introduced for the freedom of establishment and the freedom to supply services in forestry.
6. State aids to forestry must be discussed in common since they are vital to reforestation programs.
7. Co-ordination of occupational training, dissemination of information and forestry research is needed to prevent overlapping.
8. Detailed and accurate Community forestry statistics must be compiled, requiring some changes in national statistics.

Timber production policy is another problem which will receive thorough consideration. The Community will become less self-sufficient in forestry products each year. A common timber market would improve distribution of the raw material within the EEC. Later, national reforestation projects could be co-ordinated or even merged into a comprehensive Community policy.

Structural policies will be adopted in the framework of the common agricultural pol-

icy. Protective reforestation will be undertaken as part of regional policy or to aid farm production. Forestry will be practiced by some farmers as a part-time occupation. Small privately-owned woodlands should be consolidated, wasteland should be used for forestation, and owners of woodlands should form viable management units. The profitability of forestry as a profession should be examined, especially in the light of taxation policies. A recreation and parks policy is needed to prevent the loss of valuable forests.

SEED AND SEEDLING DIRECTIVES PROPOSED

The Commission has proposed directives governing marketing of forestry seeds and seedlings. Marketing would only be permitted in the Community if seeds and seedlings met with certain quality standards determined by the genetic value of the basic material, the parent trees or clone.

Under the Commission proposal, basic stock would be classified according to region of origin which might be grouped with other regions having the same natural conditions and stands having the same features and equivalent characteristics as wood pro-

ducers. "Seed arboreta" which have already been identified as high quality basic stock will immediately receive a high rating.

Member states will be free to refuse imports of seeds, shoots and seedlings which may adversely affect yields or timber production. In order to insure trueness to variety name, Community producers will isolate seeds and seedlings of differing types.

Seeds and seedlings produced in non-member countries will be admitted if they meet the standards applied to Community stock. None of the directives covers seeds and seedlings obviously intended for export to non-member countries which have differing regulations.

The Commission has proposed the establishment of a standing Committee of government experts to supervise the uniform application of rules and advise the Commission on necessary supplemental measures.

The Commission proposals are based in part on studies by the Food and Agricultural Organization, the Organization for Economic Cooperation and Development and the Economic Commission for Europe.

HEALTH REQUIREMENTS FOR MEAT TRADE SET

The EEC Council of Ministers has issued a directive establishing uniform health rules for all intra-Community trade in fresh meat. These rules replace the pre-existing national legislation.

Exporting countries must assure that the rules are being followed. An importing country may refuse to accept any shipment of fresh meat which is found to have been processed improperly. In case of dispute between an importing country and the exporter, a "neutral" veterinary expert,

chosen from a list drawn up by the EEC Commission, makes the final decision.

Member states are empowered temporarily to place a partial or total ban on fresh meat imports if there is a danger of the spread of contagious diseases.

The new directive provides for a system of approved slaughterhouses. With processing limited to these slaughterhouses, all controls in the importing countries will be able to be abolished gradually.

QUALITY STANDARDS ARE CHANGED FOR CITRUS FRUITS, ONIONS

Recent developments in marketing techniques and current trade requirements have prompted the Commission to alter the common quality standards for citrus fruits and onions.

The new regulations govern the sizing of these two commodities. The smallest diameters acceptable for citrus fruits are:

lemons	1.77 inches
oranges	2.08 "
tangerines	1.77 "
satsumas and wilkings	1.77 "
clementines	1.38 "

Sizing scales are set up for quality grades of all citrus fruits. There are 13 steps

on the scale for oranges, the lowest including sizes from 2.08 to 2.24 inches and the highest from 3.62 to 3.85 inches. The highest of the seven steps for lemons is from 2.95 to 3.15 inches and the lowest is from 1.77 to 1.97 inches. For other citrus fruits, there are 11 steps, the highest ranging from 2.79 to 3.04 inches and the lowest from 1.38 to 1.49 inches.

For onions, the regulations require that onions in lots must be sized similarly and tolerances are established. The minimum permissible diameter is .394 inches.

The regulation on citrus fruit came into effect on September 1; the one on onions on August 1.

EEC MEMBER STATES SET GRAIN PRICES FOR 1964-65 MARKETING YEAR

Grain prices for the current marketing year have been announced by the EEC member states. These basic target prices must be set within minimum and maximum limits adopted by the Council. When a common grain price is adopted by the Council, all target prices will be the same.

In setting prices this year, states were aware of the Mansholt proposals for a common grain price. The following data allow for comparison of current limits, prices selected, and the prices proposed by EEC Vice President Sicco Mansholt. Prices are in dollars per 100 kilograms (220 lbs.) They are the prices set in August.

SOFT WHEAT

Limits: \$8.94 - \$11.89

Mansholt proposal: \$10.63

Current prices:

Belgium	\$10.46
France	\$10.02
Germany (F.R.)	\$11.89
Italy	\$11.44
Luxembourg	\$11.70
Netherlands	\$10.48

HARD WHEAT

Mansholt proposal: \$12.50

Current price:

France \$11.22

RYE

Limits: \$6.77 - \$10.82

Mansholt proposal: \$9.38

Current prices:

Belgium	\$ 8.36
France	\$ 8.18
Germany (F.R.)	\$10.81
Italy	-
Luxembourg	\$10.80
Netherlands	\$ 7.67

BARLEY

Limits: \$7.22 - \$10.31

Mansholt proposal: \$9.25

Current prices:

Belgium	\$ 8.90
France	\$ 8.30
Germany (F.R.)	\$10.30
Italy	\$ 7.22
Luxembourg	\$ 8.90
Netherlands	\$ 8.40

CORN

Lower limit: \$6.56

Mansholt proposal: \$9.38

Current prices:

France	\$ 9.93(not final)
Italy	\$ 6.84(1963/64)

NEW RULES PROPOSED FOR FOOD COLORING AND ANTIOXIDANT PRESERVATIVES

The Commission has proposed to the Council that member states should harmonize parts of their pure food laws to provide greater health protection, to prevent consumer fraud and to take into account changing economic and technological requirements.

The proposed directive on antioxidants includes a list of substances which may be used to protect food against deterioration through oxidation. Substances with other purposes but which have a similar effect will also be controlled. The draft directive lays down purity and labelling standards. Provision is also made for propyl gallate and esters of ascorbic acid.

The directive would apply to foodstuffs in intra-Community trade, including imports, but not to food for export. The amended national legislation would come into effect no later than two years after the directive is approved.

The second directive would add new products to the list of permitted coloring matters: commonly used varieties of caramel, natural coloring matters among the carotenoids and xanthophylls. The list of substances used as solvents or diluents for coloring would also be extended.

The Commission proposed that the new directive enter into force on October 26, 1964, the same time as the basic directive on food coloring.

ASPARAGUS, CUCUMBERS TO BE PLACED UNDER CAP REGULATIONS

The EEC Commission has proposed to the Council the extension of the fruit and vegetable regulation to asparagus and cucumbers. An extensive domestic trade in these commodities exists in some of the producing countries of the Six and there is also a considerable trade between member states.

Marketing difficulties arose for these commodities during 1963 and for this reason, the Commission has proposed they be brought within the scope of the Common Agricultural Policy.

The CAP for fruits and vegetables is regulated by common quality standards rather than the base price and levy system. The Commission has proposed that the quality standards for these products be applied beginning January 1, 1965. The Council of Ministers must ratify the Commission's proposals before they can come into effect.

GERMANY MUST OPEN ITS GATES TO THE POTATO, EEC COMMISSION SAYS

That long-time victim of import quotas, the "non-liberalized" potato will soon be able to enter Germany without limit. By so doing, all remaining categories of potatoes will join their already-liberalized brothers, the seed potato and the industrial potato.

Between 1964 and 1970, the amount of "non-liberalized" potatoes entering Germany will increase by 15 per cent each year. From 1967 on, imports will be spread throughout the entire year. No later than 1970, all quantitative restrictions must be lifted. Then the lowly "non-liberalized" potato will be able to take his right-

ful place beside his German cousin Kartoffel. This removal of immigration barriers to potatoes will be in accordance with the Rome Treaty provisions calling for the removal of all barriers to intra-Community trade having the effect of quotas. Only one restrictive rule remains: German gates are still closed to cut flowers in August -- except for the tulip! But the posies will soon have their day.

EEC BEEF IMPORT MARKET EXPANDING

The continuing expansion of the European economy has led to an increased demand for beef. Community projections indicate that demand should continue to increase through 1970.

In the late 1950's the EEC countries imported about 250,000 metric tons of beef and veal each year. By 1970 import needs should rise to 340,000 metric tons a year.

European beef prices are now set sufficiently low to discourage the expansion of production. The European consumer must rely increasingly on imported beef, at least until support prices are increased.

CONSUMER BEEF PRICES-1963 (\$ per pound)

Belgium	\$1.17
France	1.19
Germany (FR)	.89
Italy	1.09
Luxembourg	.87
Netherlands	.70

U. S. beef and veal exports should find an expanding market in the European Community. In 1963 exports were valued at \$152,000 with most shipments going to Germany and Italy. In 1964 demand has increasingly been met by imports. The determining factor for increased U. S. exports will be competitive pricing with other potential suppliers.

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