



# COMMON MARKET FARM REPORT

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

## COMMUNITY RICE PRODUCTION AND TRADE PLACED UNDER COMMON FARM POLICY ON SEPTEMBER 1

Rice production and trade in the six Common Market countries came under the common agricultural policy on September 1. Thus culminated over two years of negotiations.

The rice regulation is based on the regulation for other grains, adopted in 1962. The levy system will be the sole method of regulating the flow of imports. The Community is a net importer of 100,000 metric tons of broken rice annually. Total EEC rice imports in 1962 were 322,000 metric tons, and exports totaled 218,000 metric tons.

Community rice production represents only about one-half of one per cent of the total value of Community farm production. EEC rice exports represent less than 4 per cent of total world exports. Only two EEC countries are rice producers, France and Italy. The rice regulations distinguish between the producers and the four non-producing countries, Belgium, Germany, Luxembourg, and the Netherlands.

### IMPORT RULES FOR BELGIUM, GERMANY, NETHERLANDS, LUXEMBOURG

A single rice market can now be established for the member countries which produce no rice. Thus, there is a single threshold price and cif (cost, insurance, freight) and a uniform levy can be applied to imports from non-member suppliers.

The levy is equal to the difference between the threshold (minimum import) price and the cif price of the supplies from non-members.

Levies are also applied to imports from member countries which are rice producers, but these levies are somewhat reduced to provide a preference for Community production. The reduction for husked rice is 20 cents per 100 kilograms (220 lbs.) and 14 cents per 100 kilograms of broken rice.

For paddy rice, levies are adjusted on the basis of the levy for husked rice. For processed rice, rice flour, groats, starches and other forms, the levy comprises two elements: the basic levy and a supplementary levy to provide protection for the processing industry.

The common threshold price is equal to the most representative price on the world market increased by 5 per cent. It is \$14.20 per 100 kg. for husked rice and \$9.66 per 100 kg. for broken rice.

The cif or offer price is determined by the deliveries at the port of Rotterdam. Set by the Commission weekly, the cif price is based on the most favorable world market offers.

### IMPORT RULES FOR FRANCE, ITALY

Each of the two producing countries sets a threshold price annually until the end of the transition period in 1970. This price is set so that the selling price of the imported rice is the same as the target price in the least well-supplied domestic market. The price for broken rice is based on that for husked rice, but is lower.

The cif or offer price is based upon deliveries made at Dunkirk (France) and Palermo (Italy).

The basic target price is set annually and prices for transformed products are based on it. As in the grain regulation, the support price for rice is set below the target price. Producing states are required to purchase rice offered below the support price.

At the end of the transition period (January 1, 1970), a single threshold price and a single target price will be set for the entire Community. Prices for transformation productions will also be the same throughout the Six.

All rice imports and exports must be authorized by a certificate issued upon receipt of a deposit. The import certificate is valid for three months and may be renewed for an additional month. Certificates will be issued automatically until the end of the transition period.

If the offer price of rice exported by a producing member country is higher than the threshold price of the importing member country, the producer's government may make a payment to him for difference. This insures that one Community state will be able to export to another even if EEC prices are above the world market price. A similar repayment plan will be applied to exports to non-member countries when EEC offer prices are above the world market price.

#### SPECIAL RULES FOR EEC ASSOCIATES

Imports from the associated African states and Madagascar and those from dependent areas of member states are exempted from the import control system. French imports of Madagascar rice and imports into non-producing member states from Surinam are, under most circumstances, not liable to levies. Levies on other rice imports from the associates are subject to the levy less the amount for protection to Community producers.

#### EEC RICE TRADE WITH NON-MEMBERS

(in million \$)	<u>Imports</u>	<u>Exports</u>
1958	34.0	30.0
1959	39.2	27.2
1960	36.5	23.4
1961	32.1	29.2
1962	45.0	32.5
1963	37.2	25.8

## IMPORT LEVY ON POULTRY PARTS REDUCED

### U.S. POULTRY EXPORTS TO EEC EXPECTED TO RISE

The EEC Commission has drastically reduced import levies on all poultry parts except breasts and thighs. This reduction means that the levies on chicken and turkey drumsticks and wings are 8-1/2 cents per pound lower than previously.

The reductions result from the Commission's decision to modify the method of calculating both intra-Community and non-member country levies on poultry products. Levies are calculated on the basis of the arithmetic mean of levies on Type II broilers and turkeys. For converting the levy to poultry parts, a coefficient of 125 per cent was used. It now only applies to breasts and thighs. The conversion coefficient of 50 per cent, formerly applied to backs and necks, is now used for all poultry parts except breasts and thighs.

The levy on poultry parts, including chicken and turkey drumsticks and wings, has been reduced from about 14 cents per pound to 5.6 cents per pound.

U. S. poultry exports to the EEC, already having increased substantially in 1964, are expected to make even greater gains because of the Commission's new ruling. The German Federal Republic is the most important customer for U. S. poultry exports in Europe. The U. S. shipped 77.7 million pounds of poultry to the German Federal Republic in 1963, according to Department of Agriculture figures. Poultry parts represented 36 per cent of these exports and provided 91 per cent of Germany's total imports of poultry parts.

Over 90 per cent of EEC poultry imports from the United States go to Germany. Other importing member states are the Netherlands, Italy, and Belgium.

Complete details of the Commission decision altering the levies on poultry parts are found in Regulation 94/64, published in the Communities' Official Gazette on July 24, 1964.

# EEC COMMISSION PROPOSES SUPPLEMENTAL FRUIT AND VEGETABLE REGULATIONS

The EEC Commission has proposed to the Council of Ministers additional measures for a common policy for fruit and vegetables.

The new proposal would establish by 1966 a unified market open to the outside world but providing guarantees for Community fruit and vegetable growers. The proposals cover the following:

- Introduction of an intervention system.
- Establishing producer cooperatives.
- Setting joint rules for non-Community imports.

The proposal supplements the existing fruit and vegetable regulation which became effective on January 14, 1962. It covers mainly cauliflower, tomatoes, oranges, mandarins, grapes, peaches, apples, and pears. These products account for about 80 per cent of the Community's fruit production and 35 per cent of the vegetable production.

The existing regulation for fruit and vegetables does not provide for levies, sluice-gate prices, or subsidies. Community fruit and vegetable markets were to be regulated by existing duties; then by duties as currently aligned on the common external tariff; and from January 1, 1970, through duties in the common external tariff.

The only effective protection offered Community growers by the existing regulation is the intra-Community safeguard clause which permits temporary limits on imports. In addition, the regulation to some extent authorizes the fixing of minimum prices for imports into a member state.

The new proposal would enable the Community to intervene on the market to restore the balance of supply and demand. A Community target price and minimum purchase price for fruit and vegetable products would be fixed yearly by the EEC Council. The target price would be determined by taking as a base the average price of representative production over a three-year marketing period. The minimum price would be lower and, at the most, equal to half of the target price.

The EEC Commission will determine a daily market price for the Community. If the market price during three consecutive days fell 80 per cent below the target price, the Commission would authorize the member states to prohibit the sale of products of inferior quality and size and encourage industrial processing. If the market price fell below 60 per cent of the target price for three days, intervention organizations designated by member states would buy the products at minimum purchase prices.

Community fruit and vegetable farmers would also be expected to help stabilize the market through producer cooperatives. Cooperatives presently exist in some, but not all, member states.

The Commission suggests that the member states encourage the formation of cooperatives in the following ways:

- Approve growers' cooperatives which bind members by certain production and marketing rules.
- Grant limited and decreasing subsidies for forming and operating the approved cooperatives until the members can assume total financial responsibility.
- Recognize the cooperatives' importance in market intervention, such as a "withdrawal price" system (the price at which cooperatives would cease selling their products).

The producer cooperatives, under the new proposal would remedy limited market disturbances by controlling storage, handling, packaging and marketing of fruit and vegetables. They would also ensure and control quality and check market fluctuations by special support purchases and by premium payments.

The cooperatives would withdraw their products from the market at a price between 60 per cent of the target price and 120 per cent of the minimum purchasing price. Farmers would be repaid for loss of sale through member contributions and the Agricultural Guidance and Guarantee Fund.

Under the new proposal, all quantitative restrictions and measures of similar effect

on imports from non-Community countries would be abolished, and a member country could no longer invoke the safeguard clause cutting off trade with other Community countries.

However, member states may levy a countervailing charge on imports from non-Community countries, but only to prevent prices from reaching an abnormally low level.

1962 COMMUNITY FOREIGN TRADE  
IN THE MOST IMPORTANT FRUITS  
AND VEGETABLES

(thousands of metric tons)

Product	EEC
<u>Imports</u>	
Apples	150.5
Pears	32.4
Peaches	30.7
Plums	32.9
Dessert grapes	67.3
Oranges	1 002.6
Cherries	4.1
Mandarins	60.4
Tomatoes	69.1
Cauliflower	1.1
Carrots	14.5
Lettuce	5.2
Melons	1.1
Onions	245.9

Exports

Apples	141.9
Pears	53.9
Peaches	50.7
Plums	7.1
Dessert grapes	48.5
Oranges	91.9
Cherries	10.9
Mandarins	11.7
Tomatoes	68.6
Cauliflower	39.4
Carrots	32.8
Lettuce	37.0
Melons	4.6
Onions	77.5

1962 COMMUNITY FRUIT AND  
VEGETABLE PRODUCTION  
(thousands of metric tons)

Product	EEC
Apples	5 124
Pears	1 829
Peaches	1 405
Plums	511
Dessert grapes	1 228
Oranges	732
Cherries	565
Mandarins	118
Tomatoes	3 582
Cauliflower	1 069
Carrots	1 021
Lettuce	931
Melons	851
Onions	871

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.



**europa  
community**

Information Service  
Washington Office: Farragut Building, Washington, D.C. 20006

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