



COMMON MARKET FARM REPORT

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

COMMUNITY PROPOSES GRAIN AGREEMENT FOR KENNEDY ROUND NEGOTIATIONS

The European Economic Community has submitted to the General Agreement on Tariffs and Trade (GATT) in Geneva its proposal for a world commodity agreement on grains.

The proposal was approved on May 14 by the EEC Council of Ministers and presented to the other negotiating countries in the Kennedy Round on May 17. It would cover all temperate zone grains with the exception of rice.

EEC Commission Vice President Sicco Mansholt hailed the Council's agreement on grains as "an important step toward the reorganization of the world's agricultural market."

MEASURES SUGGESTED BY EEC

Measures proposed include:

- * Establishment of support levels for each producing country. All elements of support would be taken into consideration, and the total level of support would be calculated and bound.

- * Fixing of world prices at a fair and remunerative level and the stabilization of these prices. The price levels would be set to avoid new surpluses.

- * A joint effort by all parties to the agreement concerning the disposal of surpluses. In this connection, the problems of increased food aid to the developing countries would be considered.

The EEC's proposal aims to establish an equilibrium between supply and demand on the world's grains market while assuring fair incomes to producers and fair prices to consumers.

OTHER COMMODITY AGREEMENTS POSSIBLE

The Community's offer was made possible by the decision of December 15, 1964, fixing common prices for grains as of July 1, 1967. Agreements for cereals in GATT may pave the way for similar commodity agreements for such products as beef, dairy produce, sugar and oleaginous fruits and seeds.

According to the timetable established in GATT, offers on additional agricultural products are to

be laid on the table by September 16. The Community's proposals for these products will follow Council decisions on common prices.

FRUITS AND VEGETABLES REGULATION ADOPTED

The Council of Ministers on May 14 also adopted officially the supplementary regulation for fresh fruits and vegetables approved in principle in February (see Common Market Farm Report No. 19). The new regulation provides for a countervailing charge to be applied to third country imports when their entry price falls below the Community reference price. It will take effect on July 1, 1965.

The Council approved the procedure concerning fruits and vegetables whose duties are consolidated in GATT. If the application of the countervailing charges provokes action from other GATT members, the Commission will submit proposals to the Council for measures to be taken. It may propose that the countervailing charge be abolished or reduced to the level of the bound duty, or it may recommend that the charge be kept and that the duties be unbound and compensation be offered. The Council will then make the final decision.

PRODUCTS ADDED TO AGRICULTURAL POLICY

In addition, the Commission has submitted to the Council of Ministers a draft regulation to extend the common agricultural policy covering fruits and vegetables to white-heart cabbages, Brussels sprouts, and ribbed celery.

The proposal establishes the common standards of quality for these products as is already the case with fruits and vegetables under the original regulation.

Community production of the three vegetables in 1963 was: (in tons)

White-heart cabbages	784,000
Brussels sprouts	108,000
Celery	426,000

Intra-Community trade in 1963 for the first two products amounted to 45,000 tons and 14,000 tons respectively.

STATISTICAL STUDY SHOWS LAND USES IN COMMON MARKET

Almost 62 per cent of the land surface in the Common Market is used for agricultural purposes, a recent study of the European Community statistical office has shown.

This amounts to almost 180 million acres out of a total land area of 290 million acres. Of the additional land, over 64 million acres, or 22.3 per cent, are covered with forests, and the remaining 46 million acres, 16.2 per cent, are employed for other purposes, i.e. cities, industry, parks, etc.

The percentage of agricultural land varies from one member country to another, as can be seen from Table 1. Luxembourg has the lowest percentage in agriculture, 52.5 per cent, and Italy has the highest with 65 per cent. However, the table shows that in absolute figures France has the largest amount of agricultural land in the Community, 84 million acres or 47 per cent of the EEC total.

Luxembourg is the Community country with the highest percentage of forested land, 33.3 per cent, and the Netherlands has the lowest at 7.6 per cent. In contrast, the Netherlands has the highest percentage of land for other uses, 28.7 per cent, reflecting its high concentration of population and industry. Germany, France and Italy are all close to the Community average of

22 per cent and 16 per cent for forests and other uses respectively.

DIVISION OF AGRICULTURAL LANDS

Table 2 reveals the breakdown of agricultural land into its various purposes. In the Community as a whole, 20 million acres or 57.5 per cent of total agricultural land is used for crops, excluding permanent cultivations (fruit orchards, olives, vineyards, etc.). These are listed under a separate classification and take up 11 million acres, 6.5 per cent of agricultural land. Meadows and permanent pastures make up the remaining 14 million acres or 36 per cent.

Among the individual countries Italy devotes the greater part of its farming area to crops and permanent cultivations, 60.9 and 13.5 per cent respectively, the largest proportions in the Community. The amount of land used for permanent cultivations is particularly high in Italy, as the climate lends itself to this sort of farming. The Netherlands has the lowest percentage of crop land, 41.1 per cent, and the highest percentage of meadows and permanent pastures, 56.0 per cent. In absolute terms France has the greatest amount of land employed in these two ways.

SURFACES COVERED BY MAJOR CROPS

Table 3 indicates the amount of land employed for

Table 1. USES OF ALL LAND IN THE EEC (1963)

('000 acres)	EEC	Germany	France	Italy	Holland	Belgium	Luxembourg
Total area	288,885	61,113	136,219	74,434	8,940	7,539	640
Agricultural area	177,880	34,893	84,407	48,392	5,691	4,164	336
Percentage of total area	61.6	57.0	62.0	65.0	63.7	55.2	52.5
Forest area	64,365	17,643	29,437	14,898	680	1,495	213
Percentage of total area	22.2	29.0	21.6	20.0	7.6	19.8	33.3
Other (cities, industry, etc.)	46,640	8,577	22,375	11,144	2,570	1,880	91
Percentage of total area	16.2	14.0	16.4	15.0	28.7	25.0	14.2

Table 2. USES OF AGRICULTURAL LAND IN THE EEC (1963)

('000 acres)	EEC	Germany	France	Italy	Holland	Belgium	Luxembourg
Crop land	102,269	20,331	47,754	29,454	2,340	2,216	173
Percentage of total agricultural land	57.5	58.3	56.6	60.9	41.1	53.2	51.5
Meadows and permanent pastures	64,095	14,130	32,402	12,393	3,185	1,825	158
Percentage of total agricultural land	36.0	40.5	38.4	25.6	56.0	43.8	47.0
Permanent cultivations	11,515	430	4,250	6,545	165	122	4
Percentage of total agricultural land	6.5	1.2	5.0	13.5	2.9	3.0	1.5

the major crops in the Community and the trend in use of farming area since 1958.

During this time total agricultural area in the Community fell almost two and one-half million acres, a drop of 1.2 per cent. This coincided with a 20.8 per cent decrease in agricultural employment from 16,224,000 workers in 1958 to 12,845,000 in 1963.

All Community countries saw a reduction of land used for farming purposes. The greatest decreases

in agricultural area came in Italy, Germany, and France, although Luxembourg had the largest percentage of decline.

CROP LAND DECREASE OF 2 PER CENT

The major part of this reduction occurred in crop land declines of more than 2 million acres, about 2 per cent of the 1958 crop area. The greatest decrease in absolute crop acreage resulted in Germany and Italy, whereas the largest percentage de-

Table 3. CHANGES SINCE 1958 IN LAND USED FOR MAJOR CROPS

('000 acres)	EEC	Germany	France	Italy	Holland	Belgium	Luxembourg
Wheat							
1958	26,960	3,247	11,403	11,418	275	560	57
1963	24,190	3,415	9,512	10,400	313	504	46
Rye							
1958	5,264	3,713	856	505	358	170	11
1963	3,879	2,815	574	445	262	101	8
Barley							
1958	7,539	2,179	4,403	505	202	234	16
1963	10,146	2,826	6,273	445	250	332	21
Oats							
1958	7,441	2,070	3,675	966	340	351	40
1963	6,604	1,903	3,180	919	279	285	38
Corn for grain							
1958	4,065	11	1,457	2,593	2	2	-
1963	4,739	32	2,353	2,352	1	1	-
Total grains							
1958	53,255	12,236	22,351	15,935	1,279	1,325	129
1963	51,874	12,181	22,629	14,498	1,210	1,239	118
Dry vegetables (peas, beans, etc.)							
1958	2,440	89	414	1,788	89	29	1
1963	2,049	105	292	1,562	61	25	4
Root plants and tubers							
1958	13,767	4,690	6,464	1,410	666	512	23
1963	12,667	4,200	6,081	1,370	573	425	17
Herbaceous fodder plants							
1958	25,069	2,490	14,396	7,641	177	337	29
1963	25,808	2,315	14,800	8,175	166	320	32
Truck farming							
1958	4,006	1,157	1,678	959	133	76	2
1963	4,140	1,151	1,622	1,072	195	99	1
Fruit orchards							
1958	2,363	180	713	1,208	154	107	-
1963	2,502	200	626	1,415	145	116	-
Total crop land							
1958	104,476	17,949	47,848	24,355	2,452	2,352	188
1963	102,269	17,378	47,754	23,416	2,340	2,216	173
Percentage change	-2.1	-3.1	0.2	-3.9	-4.6	-5.8	-8.0
Total permanent cultivations							
1958	11,515	392	4,521	6,308	176	114	4
1963	11,514	430	4,249	6,545	165	122	4
Percentage change	0	+9.7	-6.0	+3.8	-6.3	+7.0	0
Permanent pastures and meadows							
1958	64,126	14,023	32,562	12,487	3,082	1,789	154
1963	64,095	14,130	32,402	12,393	3,185	1,825	158
Percentage change	-.05	+0.8	-.5	-0.8	+3.3	+2.0	+2.6
Total agricultural area							
1958	180,117	35,446	84,872	49,430	5,710	4,254	347
1963	177,880	34,893	84,407	48,392	5,691	4,164	336
Percentage change	-1.2	-1.6	-0.5	-2.1	-.3	-2.1	-3.2

creases have been in Belgium and Luxembourg.

Figures for the Community show that there has been virtually no change in the total amount of land used for permanent cultivations. These have increased greatly in Italy, a major part of that rise coming from citrus acreage. This has been matched by a decline in France of permanent cultivation lands.

Meadows and pasture lands have remained about the same in the Community with Germany evidencing a small increase and France and Italy a corresponding decline.

DECLINE IN GRAIN ACREAGE

Table 3 also shows that total EEC land area used for growing grains declined from 1958 to 1963 by almost one and one-half million acres. There were large increases in land used for barley and corn, but these were more than compensated for by drops in wheat, rye, and oats acreage. The major decrease in grains acreage occurred in Italy, although this phenomenon was observed in all Community countries except France.

A great decline was also noticeable in land used for growing root plants and tubers, with the decrease shared between France and Germany in large part. Herbaceous fodder plants were grown on an additional 750,000 acres, mainly in France and Italy. Other large increases in acreage occurred for fruit orchards, with the major additions being in Italy.

EEC Commission Submits Proposal on Harmonization of Plant Pest Laws

The EEC Commission has submitted to the Council of Ministers a draft directive on measures preventing the introduction of plant pests into the member states. This is the Commission's first proposal for the harmonization of national laws on plant pest control for imports.

The measures proposed would concern animal and vegetable pests including insects, bacteria, fungi and viruses and would apply to imports from non-

members as well as to intra-Community trade.

The Commission urges that pest listings and controls be reorganized and standardized in the six EEC countries and that plants be inspected before exportation to eliminate the necessity of controls in the importing countries.

COMPULSORY CERTIFICATES URGED

At present, inspection is generally carried out in connection with the certificate introduced by the International Plant Protection Convention of which all EEC countries are members. The Commission's plan would make compulsory the issuance of this certificate and the intensification of plant health inspection.

It is foreseen that the gradual abolition of imports inspection of plants and plant products will begin within two years of the promulgation of the directive. Also, member states will be required to bring their laws and administrative procedures into line with the directive within two years. An additional two years will be allowed for the full operation of the system to come into effect, during which time members can make sample inspections of imports to verify the efficacy of the new methods.

Certificates will be required as well for imports from non-member countries, and EEC countries will also carry out systematic inspections of plants and plant products from non-members to assure that standards are being met.

EMERGENCY INSPECTION ALLOWED

Inspection of plants from both members and non-members will always be permitted when there is reason to suspect contamination due to insufficient controls. Member states will be free to take immediate safeguard measures, including the banning of imports, when there is imminent danger of pest entry. These measures, however, are only temporary until such time as Community arrangements are established.

Additional proposed measures include re-consignment certificates which will simplify procedures for goods in transit. The directive does not apply to stocks of plant products.

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.



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