

GREEN EUROPE

NEWSLETTER ON THE COMMON AGRICULTURAL POLICY



MILK THE QUOTA SYSTEM



MILK

THE QUOTA SYSTEM

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Table of contents

	<u>Page</u>
I. Introduction	3
II. Background	3
1. Market imbalance	3
2. Producer coresponsibility	3
3. The first super-levy proposals	4
4. New guidelines for the milk sector	5
5. The adoption of a guarantee threshold for milk	6
6. The Stuttgart mandate	6
III. Principal features of the quota system	8
1. Duration	8
2. Determination and allocation of guaranteed total quantities	8
3. Determination of reference quantities for deliveries to dairy purchasers within each Member State	10
4. Reference quantities for direct sales to consumption	13
5. Transferability of reference quantities	14
6. Application and payment of super-levy	15
7. Other provisions	15

IV. Implementation by the Member States of the quota system in 1984/85 in respect of deliveries to purchasers	16
1. General	16
2. Formula A or formula B	16
3. Choice of reference year	17
4. Variations in the determination of reference quantities according to category of producer or region	17
5. Establishment of national reserve quantities	18
6. National compensation measures for the cessation of production	19

Annex: Table 1: Guaranteed total quantities for deliveries to purchasers and quotas for direct sales 1984/85 - 1989/90	21
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Table 2: Implementation of the quota system in 1984/85 in the Member States in respect of deliveries to purchasers	22
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Milk: The Quota System

I. Introduction

The decisions taken by the Council of Ministers on 31 March 1984 for the introduction of a super-levy applicable for a period of five years from 2 April 1984 to milk delivered in excess of defined quantities represent the culmination of several years of discussion, originating in the latter part of the 1970's, on the means by which Community milk production can be more closely matched with the needs of the market.

II. Background

1. Market imbalance

The tendency for Community milk deliveries to rise at a significantly greater rate than the increase in normal internal consumption and in export demand is not a recent phenomenon but has been a feature of the milk sector since the earliest days of the Common Agricultural Policy. The achievement of a self-sufficiency ratio in milk and milk products well in excess of 100% was leading to structural imbalances in the dairy market even by the time of the first enlargement of the Community and the widening difference between production and normal commercial demand could only be eliminated through frequent recourse to public intervention, subsidised disposal schemes on the internal market and a greater, more precarious dependence on the export outlets provided by a volatile world market with, as a consequence, increased calls on the EAGGF for expenditure on intervention measures and export refunds.

2. Producer coresponsibility

Whilst the earliest Community measures intended to relate milk production more closely to demand were concentrated on voluntary actions to reduce production by, for example, the payment of premiums to producers for

dairy cow slaughter or for conversion to beef production, as well as on the maintenance and strengthening of demand through internal disposal schemes and the pursuit of an active export policy, the introduction in 1977 of a flat-rate coresponsibility levy on producers' milk deliveries to dairies represented a first step towards the assumption by producers of a degree of financial responsibility for structural surpluses.

Experience was to show, however, that while the coresponsibility levy played an important role in generating funds which could be used, in particular, for measures aimed at expanding markets, neither this levy nor the non-marketing of milk and reconversion scheme which was introduced at the same time had any perceptible long-term impact in curbing the almost unremitting upward evolution in milk deliveries. Instead, the growth in production continued to outstrip the barely positive trend in consumption which, despite the application of both existing and new disposal measures was tending to stagnate or even decline in some important product areas.

3. The first super-levy proposals:

The likely economic and financial consequences of the continuing divergence between the prospects for production and foreseeable demand led the Commission towards the end of 1979 (1) to launch the idea of a supplementary levy applied to milk delivered to dairies in excess of defined base quantities and to present this idea in its price proposals in 1980 (2) as a firm proposal for the introduction of a super-levy, applicable to the excess quantities at the rate of 84% of the target price in order to meet the disposal costs of the additional milk. Neither this proposal, which can be said to have formed the genesis for the present decisions, nor a similar but modified proposal submitted by the Commission in 1981 (3) was accepted at the time by the Council.

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- (1) "Changes in the Common Agricultural Policy to help balance the markets and streamline expenditure". COM(79) 710 final, 30.11.1979.
 - (2) "Commission proposals on the fixing of prices for certain agricultural products and on certain related measures (1980/81)". COM(80) 10 final, 6.2.1980.
 - (3) "Commission proposals on the fixing of prices for certain agricultural products and on certain related measures (1981/82)". COM(81) 50 final, 20.2.1981.

4. New guidelines for the milk sector

In three policy documents drawn up by the Commission at the end of 1980 and during 1981 (1) in the context of the Council's mandate to the Commission of 30 May 1980, the analyses of the outlook not only for milk but also for other agricultural products showed that it was neither economically sensible nor financially possible to give producers a full price guarantee for unlimited quantities of products in structural surplus. It was proposed that guidelines for future decisions on the Common Agricultural Policy should therefore include the modulation of the guarantees in line with annual production targets, determined within a five-year framework of the perspectives for production, consumption and trade, so that producers would bear at least part of the disposal costs for quantities exceeding the targets. The precise form in which the guarantees would be modulated, either through a levy system or another mechanism such as a lowering of the support price, would depend upon the characteristics of the sector concerned.

For milk, the objective of production should be that deliveries to dairies should not increase more rapidly than the growth in Community consumption, which at the time implied an increase of about 0.5% a year. The Commission considered that the measures to be adopted for this sector should include the continuation of a prudent price policy but with a strengthening of coresponsibility by:

- the maintenance of the existing coresponsibility levy at its then level of 2.5% of the target price for as long as expenditure on milk occupied more than 30% of the Guarantee Section of the EAGGF;

(1) - "Reflections on the Common Agricultural Policy". COM(80) 800 final, 5.12.1980.
- "Report from the Commission of the European Communities pursuant to the mandate of 30 May 1980". COM(81) 300 final, 24.6.1981.
- "Mandate of 30 May 1980 - Guidelines for European Agriculture - Memorandum to complement the Commission's report on the mandate of 30 May 1980". COM(81) 608 final, 23.10.1981.

- the introduction of a supplementary levy, designed to cover the costs of disposal of milk in excess of the production objective and applied to dairies who in turn would apply it to individual producers on the basis of their additional deliveries;
- a special levy on milk from intensive farms.

The Commission made it clear that if these measures were not accepted, producer participation should be introduced in the form of a reduction in intervention prices if production exceeded the objective.

5. The adoption of a guarantee threshold for milk

In its price decisions in 1982, the Council adopted a production target for the milk sector in the form of a guarantee threshold for 1982, based on the quantity of Community milk deliveries to dairies in 1981 plus 0.5%, agreeing that if this threshold was exceeded, appropriate measures would be taken to offset the additional expenditure. In fact, deliveries in 1982 exceeded the threshold by about 3% and in its 1983 price decisions, the Council, which at the time was not ready to introduce supplementary and intensive levies, accepted the Commission's proposal for the guarantee to be modulated through an equivalent 3% abatement of the price increases for the milk sector. At the same time, the Council fixed a guarantee threshold for 1983 equivalent to milk deliveries in 1981 plus 1%.

6. The Stuttgart mandate

During the course of 1983 it became clear that the abatement applied to milk prices was failing to achieve the desired effect of controlling the increase in production; indeed, the forecast additional rise of 3.5 - 4% for 1983 suggested that deliveries were expected to exceed the guarantee threshold by at least 6%. Following the mandate given by the European Council at Stuttgart in June 1983, the Commission in the following month therefore submitted new proposals for the adaptation of the Common Agricultural Policy (1).

(1) "Common Agricultural Policy - Proposals of the Commission". COM(83) 500 final, 28.7.1983.

In this Commission document of July 1983, it was estimated that in order to offset fully the additional expenditure likely to arise from the guarantee threshold being exceeded, the milk price for 1984/85 would have to be abated by as much as 12%. This would have had serious and immediate effects on the revenues of producers while there would be some delay before the full effect on production was achieved, a delay which could not be reconciled with the financial imperatives facing the Community.

For these reasons, the Commission concluded that the principle of the guarantee threshold in the milk sector should be implemented through a quota system accompanied by a restrictive price policy. In these initial July proposals, it was made clear that reference quantities or quotas, corresponding to the concept of the guarantee threshold, would be established for each dairy, based on deliveries in 1981, and that all deliveries in excess of this quantity would be subject to a supplementary levy designed to cover the full costs of disposal of the additional milk. These initial proposals, which were followed by precise proposals in the form of draft regulations in September 1983 (1), were the subject of intense discussions amongst the Community institutions and the socio-professional groups concerned during the remainder of 1983 and the opening months of 1984 and formed the basis for revised proposals (2) on which the Council finally took its decisions of 31 March 1984 introducing a quota and super-levy system in the milk sector.

(1) COM(83) 548 final, 14.9.1983

(2) COM(84) 190 final, 22.3.1984

III. Principle features of the quota system

The main elements of the quota system are that guaranteed total quantities are determined in respect of deliveries of milk to purchasers for each Member State and that, depending on the formula chosen for the application of the super-levy, these total quantities are allocated within the Member State in the form of reference quantities to purchasers (dairies) and/or to producers. A super-levy, designed to discourage additional production and as necessary to finance the cost of disposal of the extra milk, is applicable to deliveries in excess of these reference quantities. There are special arrangements, including the establishment of national reserve quantities, to take account of the difficulties of certain producers in special situations. There are separate provisions in respect of direct sales of milk and milk products.

1. Duration

The system is applicable to all deliveries and sales of cows' milk for five consecutive periods of 12 months beginning on 1 April 1984 except that the first period starts on 2 April 1984. The Commission will report to the Council on the operation of the levy system at the end of the 1986/87 period.

2. Determination and allocation of guaranteed total quantities

a) Deliveries to dairies

An annual guaranteed total quantity of milk has been determined for the Community as a whole, corresponding in principle to the quantity of cows' milk delivered to dairies and other undertakings treating or processing milk in 1981 plus 1%. This quantity is allocated among the Member States in proportion to their share in the Community total of deliveries in 1981 except that, in recognition of the particular circumstances of milk production in Ireland and Italy, the guaranteed total quantities for these two Member States have been established on the basis of their deliveries in 1983. The guaranteed total quantities fixed for each Member State provide the framework for determining the quantities of milk beyond which additional deliveries are liable to the application of a super-levy.

In sum, the annual guaranteed total quantity for the Community as a whole for the five year period has been set at 98,152,000 tonnes. As a transitional measure, however, the Council has decided to grant an additional quantity of nearly 1 million tonnes to the guaranteed total quantity for the first 12 month period, giving a Community total for the period 2 April 1984 to 31 March 1985 of 99,024,000 tonnes. In order to cover the cost of this concession, the Council increased the rate of the flat-rate coresponsibility levy from 2% to 3% of the target price for milk.

The Regulations on the quota and super-levy system also provide for a "Community reserve" to be constituted in order to supplement at the beginning of each of the 12 month periods, the guaranteed total quantities of those Member States in which implementation of the system raises particular difficulties liable to affect their supply or production structures. For the period 2 April 1984 to 31 March 1985, this reserve has been fixed at 335,000 tonnes for allocation between Ireland (245,000 tonnes), Luxembourg (25,000 tonnes), and the Northern Ireland region of the United Kingdom (65,000 tonnes). This augments the total quantity for the Community for 1984/85 to 99,359,000 tonnes.

b) Direct Sales

Separate quota arrangements apply in respect of milk and milk products which are not delivered to dairies and other purchasing undertakings but which are sold directly to consumption by producers. For these quantities, quota amounts have been established for each Member State on the basis of the quantity of milk and milk equivalent sold directly in 1981 plus 1%.

Table I in annex sets out for each Member State the level of actual deliveries in 1983, the guaranteed total quantities established for deliveries to purchasers and the quota amounts determined for direct sales.

3. Determination of reference quantities for deliveries to dairy purchasers within each Member State

a) Choice of formula

For each region within its territory, the total guaranteed quantity applicable to deliveries to dairy purchasers is allocated by the Member State in the form of reference quantities (quotas) fixed for 12 month periods for each dairy purchaser and/or each milk producer according to a choice between two formulas:

- **Formula A.** Reference quantities are fixed for each producer, with the producer being liable to a super-levy equivalent to 75% of the target price for milk (i.e. a levy of 20.57 ECU/100 kg for 1984/85), payable on the quantities of milk or milk equivalent delivered during the 12 months concerned in excess of the reference quantity.

- **Formula B.** Reference quantities are fixed for each purchaser of milk or other milk products with the purchaser being liable to a super-levy equivalent to 100% of the target price (27.43 ECU/100 kg for 1984/85), payable on the quantities of milk or milk equivalent delivered to him by producers during the 12 months concerned in excess of the reference quantity. The purchaser liable to the levy is required to pass on the burden in the price paid to those producers who have increased their deliveries, in proportion to their contribution to the purchaser's reference quantity being exceeded.

The system also provides that, for Greece, and where formula B is applied, all purchasers taken as a whole are considered as one purchaser.

b) Flexible application

In determining reference quantities under either formulas A or B, the national authorities may base these either on deliveries or purchases of milk or milk equivalent in 1981 plus 1% or on deliveries or purchases in the 1982 or 1983 calendar years adjusted by a percentage

so to ensure that the sum of the reference quantities does not exceed the total guaranteed quantities laid down for each Member State. On the basis of specified Community criteria, this percentage may be varied between categories of producer or between regions in order to take account of differences in production and collection conditions within Member States.

The percentages used to determine reference quantities in relation to deliveries or purchases in 1981, 1982 or 1983 can also be adapted to provide for the allocation of reference quantities for certain special situations and cases.

c) National reserve quantities

In order to take into account the special situations of certain producers for whom specific or additional reference quantities may be granted, Member States may constitute a reserve quantity within the limit of their guaranteed total quantity.

d) Provision for special cases

Additional reference quantities drawn from national reserves or from other quantities made available within the limits of the guaranteed total quantity for each Member State may be allocated in order to take account of the aforementioned special situations of certain producers and in order to permit structural adaptation. Specific or additional reference quantities may be granted in respect of the following cases:

- (i) Producers who have adopted milk production development plans under Directive 72/159/EEC lodged before 1 March 1984 may obtain, according to the Member State's decision, a special reference quantity taking account of the milk and milk product quantities provided for in the development plan if the plan was still being implemented on 1 April 1984, or, in the case of implementation of the plan after 1 January 1981, a special reference quantity taking into account the quantity of milk and milk products delivered in the year during which the plan was completed. Under certain conditions, non-development plan investments may also be taken into consideration.

- (ii) A specific reference quantity may be granted to young farmers setting up after 31 December 1980.
- (iii) Producers whose milk production during the year used to determine reference quantities has been affected by exceptional events shall obtain, at their request, that their reference quantities be calculated on the basis of another reference year during the 1981 to 1983 period. The exceptional events may include:
- a serious natural disaster affecting the producer's farm to a considerable extent,
 - the accidental destruction of the producer's fodder resources or buildings used for dairy livestock,
 - certain diseases affecting all or part of the milk herd,
 - compulsory appropriation of a considerable part of the utilisable agricultural area of the producer's holding, resulting in a temporary reduction of the fodder area,
 - if the producer runs the holding himself, occupational incapacity of long duration,
 - theft or accidental loss of all or part of the dairy herd where this has a significant effect on the milk production of the holding.
- (iv) Subject to certain conditions and at the decision of the Member State, an additional reference quantity may be granted to producers realizing a milk production development plan approved after 1 April 1984 under Directive 72/159/EEC.
- (v) According to the decision of the Member States, producers who undertake farming as their main occupation may also be eligible for an additional reference quantity.

e) National aid for the cessation of milk production

In order to promote structural development in the milk sector, Member States are permitted to grant compensation paid in one or more annual payments to producers undertaking to discontinue milk production definitively. The reference quantities freed by these provisions shall, as necessary, be added to the national reserve quantities.

4. Reference quantities for direct sales to consumption

In principle, each milk producer selling directly to consumption is assigned a reference quantity related to his direct sales of milk and milk equivalent in 1981 plus 1%, or, in the case of a producer who began direct sales from 1 January 1981 but before 1 April 1984 or who has greatly altered his operations since 1 January 1981, related to his sales in the last 12 months of operations before 1 April 1984. Where these operations cover less than 12 months, annual sales quantities and appropriate reference quantities are determined on the basis of actual sales.

The reference quantities calculated under the above provisions are corrected where appropriate by a percentage to ensure that the sum of the direct sales reference quantities does not exceed the total quantity specified for the Member State concerned.

In order to deal with special situations, there are provisions, similar to those specified in the case of the reference quantities established in respect of deliveries to purchasers, for producers who sell directly to be granted additional or specific quantities.

Producers who have obtained a direct sales reference quantity and who cease these sales wholly or in part may instead deliver their milk and milk products to a purchaser provided that the Member State is able to grant them a reference quantity from the guaranteed total quantity applicable to deliveries to purchasers. There are comparable provisions in the case of producers who wish to switch wholly or in part from delivering to purchasers to direct selling.

The rate of super-levy applicable to direct sales of milk and milk equivalent in excess of each producer's reference quantity is 75% of the target price (20.57 ECU/100 kg for 1984/85).

5. Transferability of reference quantities

Reference quantities granted to purchasers or to producers delivering to purchasers or selling directly are not freely transferable or saleable except that where a holding or undertaking is sold, leased or transferred by inheritance, all or part of the corresponding reference quantity is transferred to the purchaser, tenant or heir. Member States may provide, however, that a part of the quantities concerned be added to the national reserve. Where an entire holding is sold, leased or transferred by inheritance, the corresponding reference quantity is transferred in full to the producer who takes over the holding, but where one or several part of the holding are transferred, by sale, lease or inheritance, the corresponding reference quantity is to be distributed among the producers operating the holding, in proportion to the areas used for milk production or according to other objective criteria established by the Member State.

In the case where, under formula B, a purchaser replaces wholly or in part, one or more purchasers, including cases where producers change from one purchaser to another, there are provisions for the annual reference quantity of the purchaser concerned to be adjusted to take into account all or part of the reference quantities of the purchaser or purchasers whom he replaces. Again, Member States may provide that a part of the quantities concerned may be added to the national reserve.

Where formula B is being applied, the reference quantities of purchasers are also adjusted to take account of additional quantities assigned to special case producers and to former direct sellers who have been granted a reference quantity in respect of deliveries to purchasers, and to take account of changes resulting from the sale, lease or transfer by inheritance of a holding.

6. Application and payment of the super-levy

In the case of deliveries to purchasers under either formulas A or B, the levy due on milk and milk products delivered in excess of reference quantities is collected during each 12 month period by means of quarterly payments on account, calculated on the basis of the quantities of milk or milk equivalent which for the liable producer (formula A) or the liable purchaser (formula B) exceed, for the relevant quarter, the cumulative reference quantity at the end of the quarter concerned. Payments are to be made within 45 days of the end of the relevant quarter. Special transitional arrangements for the collection of the levy apply in respect of Greece, Italy and certain mountain regions of the Community. For the other Member States and Community regions, the levy amounts due on excess milk deliveries during the first two quarters of the 1984/85 period are taken together so that the first payments of the levy will be required by mid-November 1984.

There is provision for overpayments to be refunded in cases where the levy paid in respect of a preceding quarter or quarters has exceeded the amount actually due since the beginning of the 12 month period concerned.

At the end of each 12 month period, there is a final account for each producer or purchaser liable to the levy, calculated on the basis of the actual excess during this period beyond his annual reference quantity. The difference between the final amount of levy due and the sum of the quarterly payments actually made is to be paid or refunded before 1 July following the end of the 12 month period concerned.

Levy payments due from producers who sell directly to consumption and who exceed their reference quantities will be collected annually and are payable within three months or, by derogation, four months of the end of the 12 month period concerned.

7. Other provisions

The rules on the quota and levy system provide for the levy to be applied to deliveries or direct sales of not only whole milk but also of other milk products such as cream, butter and cheese. The levy applicable to these

products is based on their whole milk equivalent. There are also provisions to take account of the average fat content of milk delivered or purchased in order to combat fraud.

As is already the case for the existing coresponsibility levy, Member States should adopt whatever additional measures are required to ensure collection of the levy and inform the interested parties of the penal or administrative sanctions to which they will be subject if they fail to comply with the provisions of the levy system.

IV. Implementation by the Member States of the quota system in 1984/85 in respect of deliveries to purchasers

1. General

Details of the methods by which Member States are applying the main features of the quota system for the first 12 month period are set out in Table 2 in annex. It should be emphasised that the data contained therein and the summary which is contained in the following text should be regarded as provisional since some of the details by which the system is to be implemented may be subject to subsequent revision, completion and final adjustment during or at the end of the period concerned.

2. Formula A or formula B

With the exception of the United Kingdom, all Member States have chosen to apply a single formula to all regions within their individual territories.

Belgium, Germany, the Netherlands and the United Kingdom in respect of Northern Ireland only, have opted to apply formula A (liability for levy by producers) during the first 12 month period. In other Member States, including the remaining regions of the United Kingdom, formula B (liability to levy by purchasers) will be applied.

3. Choice of reference year

The majority of Member States have chosen to base the determination of reference quantities for producers or purchasers on milk deliveries during the 1983 calendar year, adjusted by a percentage. Greece and Luxembourg, however, are to establish reference quantities on the basis of deliveries in 1981.

4. Variations in the determination of reference quantities according to category of producer or region

a) By size category of producer

In calculating reference quantities for individual producers or purchasers, Belgium, Germany and Ireland have differentiated the percentage applied to deliveries in 1983, according to the volume of milk delivered by the producers concerned.

In Belgium, the reference quantities for milk producers dependent upon dairying for a substantial part of farm income and who deliver less than 60,000 litres a year are calculated on the basis of a smaller percentage deduction than for other producers.

In Ireland, the reference quantities for purchasers are based on 1983 deliveries plus an amount or percentage which distinguishes between producers delivering more or less than 15,000 gallons a year (approximately 68,000 litres). This should ensure that in comparison with 1983, the reference quantities for purchasers with the greatest number of small producers are higher than those established for purchasers where larger producers predominate.

In Germany, reference quantities for producers are calculated according to percentage deductions which are differentiated both according to the volume of milk delivered by the producer but also, for certain

categories of producer, according to the increase in deliveries between 1981 and 1983. Thus, the maximum percentage deduction from the 1983 base is made in respect of the reference quantities for producers delivering the greatest volume of milk and with the highest increase in deliveries in the period 1981-1983.

The United Kingdom, in the reallocation of reference quantities released by producers benefitting from national compensation measures, also intends to give priority to small producers (in England and Wales, production of less than 200,000 litres in 1983), with the objective of supplementing their reference quantities to the level of their actual deliveries in 1983.

b) By region

France and the United Kingdom have announced their intentions to apply a degree of regional differentiation in determining reference quantities based on 1983 deliveries.

In France, the initial reference quantities for purchasers in mountain regions are calculated on the basis of a smaller percentage deduction from 1983 deliveries than for other French regions.

In the United Kingdom, reference quantities for certain remote island and peninsula areas of Scotland are similarly established by means of a smaller percentage deduction from the 1983 delivery base than for the remainder of this Member State.

5. Establishment of national reserve quantities

In Belgium, Denmark, Greece, the Netherlands and the United Kingdom, the percentages applied to deliveries in the reference year in order to calculate reference quantities for producers or purchasers make provision for the establishment of initial national reserve quantities, to be used for the granting of specific or additional reference quantities in respect of special case producers. In other Member States, it is considered that sufficient quantities will be made available for special cases from

producers who have already ceased milk production since the beginning of the reference year or from the reference quantities which may be obtained from producers who will leave the sector in the future, including from those who benefit from national compensation measures for the cessation of milk production.

6. National compensation measures for the cessation of milk production

Germany, France, Italy and the United Kingdom are amongst the Member States which intend to grant national compensation to producers who undertake to discontinue milk production definitively so that the reference quantities released to the national authorities may be used to grant specific or additional reference quantities in respect of the remaining and new producers who qualify as special cases.

In Germany, an amount of 1,000 DM per 1,000 kg, up to a maximum of 150,000 DM per farm will be awarded to the producer concerned, payable over a 10 year period. This scheme, which commenced in June 1984 and for which applications should be received by 1 October 1984, is expected to release reference quantities totalling up to 1 million tonnes, equivalent to a little over 4% of the guaranteed total quantity for Germany.

In France, a scheme was commenced in June 1984 to remain open for applications until the achievement of the objective of releasing reference quantities totalling 1 million tonnes, equivalent to approximately 4% of the guaranteed total quantity for France. This scheme, for which funds totalling 605 million FF are available for 1984, provides for three separate categories of aid:

- For producers of more than 65 years of age or other producers in receipt of an old age pension, a payment equivalent to 1/3 of the target price (i.e. 0.61 FF per litre) up to a maximum of 30,000 litres of cows' milk or 18,300 FF per producer.

- An annual payment to producers aged 55 to 65 years and not eligible for old age pension, equivalent to 1/3 of the target price (0.61 FF per litre in 1984/85) on the first 45,000 litres per producer and 1/6 of the target price (0.305 FF per litre in 1984/85) on the next 15,000 litres, up to a maximum annual payment per producer of 32,025 FF. The payment continues until the recipient is 65 years of age or receives an old age pension.

- a single payment to producers aged less than 55 years, equivalent to 1/3 of the target price on the first 60,000 litres and 1/6 of the target price on the next 30,000 litres, up to a maximum payment per producer of 45,750 FF.

In the United Kingdom, a cessation scheme provides for a payment to producers of L 650 per 5,000 litres of reference quantity released. This amount, equivalent to 13 pence per litre, is payable in equal instalments over five years. There is no maximum amount per producer and up to L 50 million has been made available to fund the scheme over the five year period. The objective is for up to 2.25% of the total amount of reference quantities to be bought up in England and Wales and in Scotland and up to 5% in Northern Ireland, or approximately 385,000 tonnes for the United Kingdom as a whole.

Table 1: Guaranteed total quantities for deliveries to purchasers and quotas for direct sales 1984/85 - 1989/90

(thousand tonnes of milk
and milk equivalent)

	Actual deliveries to purchasers 1983 (1)	Guaranteed total quantity 1984/85	Community reserve 1984/85	Total quantity 1984/85	Total quantity 1984/85 : actual deliveries 1983 (%)	Guaranteed total quantity 1985/86 - 1989/90	Direct sales quota 1984/85 - 1989/90
Belgium	3 225	3 138	-	3 138	- 2.7	3 106	505
Denmark	5 227	4 932	-	4 932	- 5.6	4 882	1
Germany	25 176	23 487	-	23 487	- 6.7	23 248	305
France	26 120	25 585	-	25 585	- 2.0	25 325	1 183
Greece	444	472	-	472	+ 6.3	467	116
Ireland	5 280	5 280	245	5 525	+ 4.6	5 280	16
Italy	8 323	8 323	-	8 323	0	8 323	1 591
Luxembourg	283	268	25	293	+ 3.5	265	1
Netherlands	12 909	12 052	-	12 052	- 6.6	11 929	145
United Kingdom	16 585	15 487	65	15 552	- 6.2	15 327	398
EUR 10	103 572	99 024	335	99 359	- 4.1	98 152	4 261

(1) Provisional

TABLE 2: Implementation of the quota system in 1984/85 in the Member States in respect of deliveries to purchasers

	Guaranteed Total quantity (a) 1000 tonnes	Formula applied	Reference year	Milk deliveries in refer- ence year 1000 tonnes	Calculation of reference quantities on the basis of deliveries in the reference year	Reserve quantities	
						Accounted for by reference quantity calcu- lation 1000 tonnes	Other 1000 tonnes
Belgium	3138	A	1983	3225	(i) Deliveries less than 60,000 litres: 1983 - 3% (ii) Deliveries more than 60,000 litres: 1983 - 5%	approx. 35	-
Denmark	4932	B	1983	5227	Purchaser: deliveries in 1983 - 5.6% Producer: deliveries in 1983 - 6.7%	approx. 57	approx. 68 from producers ceasing 1.1.83 - 31.3.84
Germany	23487	A	1983	25176	(i) Producers delivering less than 161,000 kg without increase in deliveries in 1981 to 1983 period: 1983 - 2% on first 60,000 kg 1983 - 4% on remaining deliveries (ii) Other producers: 1983 - 4% plus: additional reduction of 0.33% per 1% point of increase in deliveries in 1981 to 1983 period. plus: additional reduction of 0.1% according to size of producer of 0.1% per 1000 kg for deliveries of 161,000 to 180,000 kg 2% for deliveries of 180,000 to 286,000 kg 2% plus 0.1% per 1000 kg for deliveries of 286,000 to 300,000 kg 3.5% for deliveries of more than 300,000 kg.	-	approx. 1000 as a result of cessation payments
France	25585	B	1983	26120	(i) 1983 - 2% for non mountain zones (ii) 1983 - 1% for mountain zones	-	(i) approx. 300 from: producers ceasing: 1.1.83-31.3.84 (ii) approx. 1000 as: a result of cess- tion payments
Greece	472	B	1981	462	Guaranteed total - 10%	47.2	-
Ireland	5525	B	1983	5280	(i) Producers delivering less than 15,000 gallons: 1983 + 500 gallons (ii) Producers delivering more than 15,000 gallons: 1983 + 3.6%	-	-
Italy	8323	B	n.a.	-	n.a.	-	-
Luxembourg	293	B	1981	262	1981 + 2.37%	25	-
Netherlands	12052	A	1983	12909	1983 - 8.65%	260	-
United Kingdom	15552	GB : B N.Ir. : A	1983	(16580)	(i) 1983 - 9% for England and Wales, Northern Ireland and most of Scotland (ii) 1983 - 0% for Shetland Islands (iii) 1983 - 5.8% for certain other Scottish islands	388.8	approx. 385 as a result of cess- ation payments

(a) Including Community reserve quantities.

Note: The above data are not necessarily final and may be subject to subsequent revision and completion.

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Newsletter on the common agricultural policy

<u>No.</u>		<u>Language :</u>
165	15 years of Green Europe	DA, DE, EN, FR, IT, NL
166	Milk : problem child of european agriculture	DA, DE, EN, FR, IT, NL
167	EEC agriculture : the world dimension	DA, DE, EN, FR, IT, NL
168	European agriculture 1979	DA, DE, EN, FR, IT, NL
169	European agriculture into the nineteen-eighties	DA, DE, EN, FR, IT, NL
170	Agriculture and the problem of surpluses	DA, DE, EN, FR, IT, NL
171	EEC food imports : the New Zealand file	DA, DE, EN, FR, IT, NL
172	Wine in the eighties	DA, DE, EN, FR, IT, NL, GR
173	The agricultural aspects of enlargement of the European Community : Greece	DA, DE, EN, FR, IT, NL, GR
174	The agricultural aspects of enlargement of the European Community : Spain	DA, DE, EN, FR, IT, NL
175	The common agricultural policy and world food shortages - food aid	DA, DE, EN, FR, IT, NL
176	Aspects of the common agricultural policy of concern to consumers	DA, DE, EN, FR, IT, NL
177	Policy for animal feedingstuffs : the case of cereal "substitutes"	FR
178	The enlargement of the Community	FR
179	The Community's agricultural and food exports	FR
180	A new common organization of the markets in sugar as from 1 July 1981	DA, DE, EN, FR, IT, NL
181	A new common agricultural structure policy	DA, DE, EN, FR, IT, NL

<u>N°</u>		<u>Language :</u>
182	Financing the market side of the common agricultural policy - EAGGF-Guarantee	DA, DE, EN, FR, IT, NL
183	Co-ordination of agricultural research in the Community	DA, DE, EN, FR, IT, NL
184	Community food aid	DA, DE, EN, FR, IT, NL
185	The contribution of the common agricultural policy to the economic development of the Community	DA, DE, EN, FR, IT, NL
186	The development of veterinary legislation	DA, DE, EN, FR, IT, NL
187	The Community's agricultural policy and policy on trade in agricultural products	DA, DE, EN, FR, IT, NL
188	Mechanisms of the common organization of agricultural markets - Livestock products	DA, DE, EN, FR, IT, NL
189	Mechanisms of the common organization of agricultural markets - Crop products	DA, DE, EN, FR, IT, NL
190	The agricultural aspects of enlargement of the European Community Portugal	DA, DE, EN, FR, IT, NL
191	State aids and the common agricultural policy	DA, DE, EN, FR, IT, NL, GR
192	The common agricultural policy and agricultural trade with the developing countries	DA, DE, EN, FR, IT, NL, GR
193	Prevention of frauds against the agricultural fund	DA, DE, EN, FR, IT, NL, GR
194	Implications for the agricultural sector of the lack of a matching degree of integration in the other areas of Community policy	DA, DE, EN, FR, IT, NL, GR
195	Agriculture and energy: current problems and future outlook	DA, DE, EN, FR, IT, NL, GR
196	The common agricultural policy and the food industry	DA, DE, EN, FR, IT, NL, GR
197	For the Southern Regions of the Community - The integrated mediterranean programmes -	DA, DE, EN, FR, IT, NL, GR
198	The miracle of the CAP	DA, DE, EN, FR, IT, NL, GR

N°Language

199	The new common agricultural structures policy	DA, DE, EN, FR, IT, NL, GR
200	Agriculture in the United States and in the European Community: a comparison	DA, DE, EN, FR, IT, NL, GR
201	Sheepmeat	DA, DE, EN, FR, IT, NL, GR
202	Agriculture as a creator of jobs	DA, DE, EN, FR, IT, NL, GR

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