

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

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SUBSIDIES

Notifications Pursuant to Article XVI:1

EUROPEAN COMMUNITIES

The following notification concerning subsidies has been received from the Permanent Mission of the European Communities.

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PART I

AGRICULTURAL SECTOR

1. So far as agricultural products are concerned, the measures notified concern only products which are the subject of a common agricultural policy, namely, the following sectors:

- Cereals
- Rice
- Bovine meat
- Piguemeat
- Sheepmeat
- Eggs
- Poultry
- Oils and fats
- Sugar
- Dairy products
- Fishery products
- Fruit and vegetables
- Products processed from fruit and vegetables
- Tobacco
- Wine
- Textile flax and hemp
- Hops
- Seeds
- Silkworms
- Peas, broad beans and horse beans used in animal feed
- Dehydrated fodder
- Soyabeans

These measures also relate to certain foodstuff products prepared from products subject to the common agricultural policy and which are not included in Annex II to the Treaty, mainly sugar products, fine bakers' wares and chocolate products.

2. The measures notified include all the price support measures introduced by the common market organizations that can involve participation either by the Community's financing organization or by the government of a member State, to the extent that such measures derive from the Community regulations.

3. With respect to the total amount of aid for each sector, it should be noted that the data relate to payments made by the European Agricultural Guidance and Guarantee Fund (EAGGF) in the course of the years or periods during which the exports were effected.

A. Export refunds

For certain of the sectors governed by a market organization, the common agricultural policy provides for the possibility of granting export refunds.

The purpose of export refunds is to cover, as far as possible and in order to enable exports to be effected at international trade prices, the difference between those prices and Community prices.

The refund is the same for the whole of the Community, though a differential may be applied according to destination. The amount of the refund is fixed periodically. The periodicity of the fixing is different for each sector because of the special characteristics of each sector. In order to facilitate export operations, in the case of the majority of products a system has been introduced whereby refunds can be fixed in advance. The refund is paid to the exporter.

The total amount of export refunds financed by the EAGGF during the past few years, and for each sector, is as follows:

(ECU million)

Products	Refunds 1978	Refunds 1979	Refunds 1980
Cereals	831.9	1,184.7	1,174.7
Rice	16.8	41.7	44.9
Dairy products	1,565.0	2,087.9	2,745.9
Olive oil	-	-	-
Oilseeds	0.1	1.2	3.7
Sugar	640.4	685.1	286.2
Bovine meat	145.4	270.2	715.5
Pigmeat	32.2	78.4	91.6
Eggs and poultry	38.1	79.5	85.5
Fruit and vegetables	47.8	34.5	41.3
Wine	1.6	4.6	26.4
Tobacco	2.7	3.7	4.5
Fishery products	8.0	8.5	11.4
Flax and hemp	-	-	-
Seeds	-	-	-
Hops	-	-	-
Silkworms	-	-	-
Dehydrated fodder	-	-	-
Goods processed from agricultural products	208.5	252.1	221.3
<b>Total expenditure</b>	<b>3,538.5</b>	<b>4,732.1</b>	<b>5,452.4</b>

B. Measures on the internal market

1. In order to stabilize markets and assure the agricultural population of an equitable standard of living, the common agricultural policy provides, in the market organization regulations for the different products, intervention and aid measures which vary according to the nature of the product and the special characteristics of the market.

2. The cost of these intervention and aid measures is, as a general rule, financed by the EAGGF. During the past few years, in respect of these measures as a whole, by product sector, they have amounted to:

(ECU million)

Product	1978	1979	1980
Cereals	280.6	379.1	494.6
Rice	1.1	1.2	13.3
Dairy products	2,449.6	2,439.6	2,006.1
Olive oil	182.1	388.2	317.9
Oilseeds	142.6	216.6	365.5
Sugar	237.6	254.7	289.0
Bovine meat	493.3	478.0	647.8
Sheepmeat	-	-	53.5
Pigmeat	12.8	26.5	24.0
Fruit and vegetables	52.9	408.4	646.0
Wine	52.3	57.3	273.1
Tobacco	213.4	221.7	304.8
Fishery products	7.4	8.5	11.6
Flax and hemp	15.4	17.6	16.8
Seeds	20.3	30.1	32.0
Hops	11.1	10.1	6.2
Peas, broad beans and horse beans	-	15.3	27.0
Silkworms	0.5	0.5	0.3
Dehydrated fodder	42.6	46.6	33.5
	4,215.6	5,000.0	5,564.0

3. The various mechanisms provided by the market organization regulations for the different products are as follows:

"CEREALS" SECTOR

(a) Intervention measures

(i) Every year, a common single intervention price is fixed for common wheat, rye<sup>1/</sup>, barley and maize, as well as a single intervention price for durum wheat, at which the intervention agencies are obliged to buy in products harvested in the Community and offered to them provided the offers comply with certain conditions, in particular as regards quality and quantity.

The intervention price is fixed for a given standard quality for each of these cereals. If the quality of the cereal differs from the standard quality, the price is adjusted in accordance with the relevant scale of price increases and reductions. The price applies in all intervention centres fixed at the beginning of the marketing year for each cereal.

Prices are fixed at the beginning of the marketing year (1 August) and are increased monthly to take account of warehousing and interest costs for stocking cereals in the Community as well as of the necessity for stock disposal in accordance with market needs.

Product	(ECU/t.)		
	1978/79	1979/80	1980/81
Common wheat	146.97 <sup>2/</sup>	149.17 <sup>2/</sup>	155.88 <sup>2/</sup>
	165.58 <sup>3/</sup>	168.06 <sup>3/</sup>	175.20 <sup>3/</sup>
Durum wheat	245.43	249.12	260.33
Rye	157.47	159.82	163.82
Barley	146.97	149.17	155.88
Maize	146.97	149.17	155.88

<sup>1/</sup> Since the 1980/81 marketing year the intervention price for rye, which was higher than the common single intervention price, has been aligned on the latter. In order to offset the resulting income loss, the intervention price is being increased by a progressively declining amount until the end of the 1981/82 marketing year.

<sup>2/</sup> Intervention price fixed for common (soft) wheat irrespective of technical (bread-making or non-bread-making) grade.

<sup>3/</sup> Reference price - price by reference to which the market price for common wheat of bread-making grade can be supported by special intervention measures in the form of purchases on the market on private storage.

(ii) In order to deal with special situations which may arise in certain regions, special intervention measures may be taken by intervention agencies on the decision of the Commission, after consulting the Management Committee for the purpose of avoiding, in certain regions of the Community, heavy purchases under the buying-in obligation imposed on intervention agencies.

Such measures may be decided when, in any region of the Community, prices become or remain so depressed that there is a risk that, owing to the size of the harvest and of regional stocks as well as to their geographical situation, intervention purchases will be required upon well-based application to the Commission by the member State concerned.

(b) Aid to production

Aid is granted for the production of durum wheat having certain qualitative and technical characteristics (suitability for making semolina and macaroni-type foods). For marketing years prior to 1976/77, this aid, in an amount uniform for the whole of the Community, was granted on a per ton basis. As from the 1976/77 marketing year, the aid has been granted on a per hectare basis and its amount varies depending on the region concerned, or is limited to certain regions.

Aids to production since the 1976/77 marketing year amounted to:

	(ECU/t.)		
	1978/79	1979/80	1980/81
Durum wheat	76.16 <sup>1/</sup>	77.31 <sup>1/</sup>	79.24 <sup>1/</sup>

<sup>1/</sup> For Centre South Italy, Marseilles, Toulouse, Ardèche, Drôme, mountainous and less-favoured areas.

(c) Compensatory allowance

A compensatory allowance may be granted for any common wheat, durum wheat, rye, barley and maize, or also malt, remaining in stock at the end of the marketing year. Its purpose is to bridge the gap between any higher price at the end of the marketing year, resulting from monthly increases, and the generally lower price at the beginning of the new marketing year, to prevent thereby a mass movement of cereals to intervention at the end of the marketing year, and to ensure satisfactory supplies for the processing industry.

(d) Production refunds

A production refund is granted:

- for maize and common wheat used by the starch-making industry in the manufacture of starch;
- for maize and common wheat used for the manufacture of quellmehl intended for bread-making;
- for potato starch;
- for maize groats and meal (grits) used in making glucose by the direct hydrolysis process;
- for maize groats and meal (grits) used in making beer.

The refund is granted in order to enable the industries manufacturing these products to remain competitive vis-à-vis the prices of such products manufactured outside the Community and the prices of substitute products.

The production refund is paid to the processor of the raw material. In the case of potato starch, the recipient of the production refund is the producer of the potato starch.

For the 1978/79 marketing year, the amount of the production refund was 17.00 UA/t. for maize and 24.29 UA/t. for wheat;

For the 1979/80 and 1980/81 marketing years, the amount of the production refund was 17.23 ECU/t. for maize and 24.67 ECU/t. for wheat;

For the 1978/79 marketing year, potato starch producers were granted a premium of 10 UA/t;

For the 1979/80 and 1980/81 marketing years, potato starch producers were granted a premium of 20 ECU/t.

"RICE" SECTOR

(a) Intervention measures

Each year an intervention price for paddy rice is fixed for the principal surplus-production marketing centre in the Community - Vercelli. This price applies in any other intervention centres to be determined. The intervention agencies are obliged to buy in any rice harvested in the Community, provided offers comply with certain conditions, in particular in respect of quality and quantity.

The intervention price is fixed for a given standard quality. If the quality offered differs from the standard quality, the price is adjusted by the application of price increases and reductions.

The intervention price is fixed for the beginning of the marketing year (1 September) and increased each month to take account of warehousing and interest costs for stocking as well as of the necessity for stock disposal in accordance with market needs.

The intervention prices fixed at the beginning of the 1978/79, 1979/80 and 1980/81 marketing years were as follows:

	UA/t.	ECU/t.	
	1978/79	1979/80	1980/81
Vercelli	174.98	218.58	233.71

(b) Compensatory allowance

In addition, a compensatory allowance may be granted for the paddy rice and the husked rice obtained therefrom remaining in stock at the end of the marketing year. The purpose of this allowance is to give maximum compensation for the difference between the prices in force at the end of one and the beginning of the next marketing year.

(c) Production refund

A production refund is granted in respect of brokens used by the starch-making industry for the manufacture of starch and brokens used by breweries in making beer.

For the 1978/79 marketing year, the production refund was 20.89 UA/t; for the 1979/80 and 1980/81 marketing years it was at the rate of 21.22 ECU/t.

"DAIRY PRODUCTS" SECTOR

(a) Intervention measures

Each year an intervention price is fixed for butter, skimmed milk powder and Grana Padano and Parmigiano-Reggiano cheeses and the national intervention agencies buy in at this price any such products of Community origin offered to them which comply with certain quality and packaging conditions.

The intervention prices fixed for the last few marketing years were as follows:

	UA/100 kgs.		(ECU/100 kgs.)
	1978/79	1979/80	1980/81
Butter	235.72 <sup>1/</sup>	284.97	291.60
Skimmed milk powder	95.78 <sup>1/</sup>	115.79	121.51
Cheese:			
- Grana Padano (30-60 days)	231.13 <sup>1/</sup>	279.43	289.61
(6 months)	280.48 <sup>1/</sup>	339.09	349.85
- Parmigiano (6 months)	306.03 <sup>1/</sup>	369.98	380.74

(b) Aid to private storage

In order to reduce the quantities offered for intervention buying or to deal with a certain amount of market imbalance, a system of aid for private storage is operated for:

- butter bearing an official inspection mark and cream;
- cheese:
  - . Grana Padano aged at least 9 months
  - . Parmigiano-Reggiano aged at least 15 months
  - . Emmenthal and Gruyère
  - . Provolone
  - . Pecorino-Romano

provided they have been produced in the Community and comply with certain conditions.

Aid can also be provided for the private storage of first-quality skimmed milk powder produced in the Community provided it complies with certain conditions.

(c) Aid for skimmed milk for animal feed

Aids are granted for skimmed milk and skimmed milk powder manufactured in the Community and intended for animal feed.

Both milk and powder must be either directly denatured or incorporated in some compound feeding stuff intended for livestock.

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<sup>1/</sup> - As from 22 May 1978

(d) Aid for skimmed milk processed into casein

Aid is granted for skimmed milk produced in the Community and processed into casein provided both the milk and the casein produced from it comply with certain conditions.

(e) Other measures

- Intervention measures may be taken, in years in which they are found to be necessary, to support the market for long-keeping cheeses, if such cheeses comply with certain conditions.

These measures are taken, in particular, in the form of aid for private storage.

- When surpluses of dairy products develop, or threaten to develop, measures other than the above may be taken to facilitate their disposal or to prevent the development of new surpluses.

- In order to encourage consumption by young people, aid is granted to schools so that pupils can obtain milk at a reduced price.

- Co-responsibility levy: the milk producer pays a compulsory levy as a percentage of the target price for milk; in this way, he pays part of his dairy income into a special fund designed to encourage and increase disposal of dairy products.

"OILS AND FATS" SECTOR

A. Olive oil

1. Each year an intervention price is fixed for olive oil, and the intervention agencies are obliged to buy in at this price any olive oil of Community origin which may be offered to them.

The intervention price is fixed for a given standard quality. If the quality of olive oil differs from the standard quality, the price is adjusted in accordance with a scale of price increases and reductions.

The intervention price is fixed at the beginning of the marketing year (1 November) and increased each month to take account of average storage and interest costs in the Community.

The opening intervention price for the 1978/79 to 1980/81 marketing year was as follows:

	<u>UA/100 kgs.</u>		<u>ECU/100 kgs.</u>
1978/79	141.14	1979/80	173.19
		1980/81	180.12

2. An aid to producers is granted in respect of olive oil produced in the Community from olives harvested in the Community. It is designed to contribute to establishing a fair income for producers.

Production aids for the 1978/79 to 1980/81 marketing years amounted to:

	<u>UA/100 kgs.</u>		<u>ECU/100 kgs.</u>
1978/79	43.11	1979/80	52.90
		1980/81	55.81

3. Beginning with the 1978/79 marketing year, the scheme for organizing the olive oil market has been changed and now consists of the following elements:

- fixing of a production target price and of a production aid designed to compensate for the limitation of the consumption aid to only a part of production;
- fixing of a market representative price at a level permitting disposal of olive oil production in the light of the prices of competing oils;
- fixing of a consumption aid equal to the difference between the production target price, less the production aid, and the market representative price. This aid constitutes the new element in the scheme for organizing the olive oil market and is designed to facilitate the marketing of Community olive oil.

For the 1978/79 to 1980/81 marketing years, the above elements were fixed at the following levels:

	<u>1978/79</u>	<u>1979/80</u>	<u>1980/81</u>
- production target price	191.54 UA	235.04 ECU	247.97 ECU
- production aid	43.11 UA	52.90 ECU	55.81 ECU
- market representative price	120.78 UA	147.00 ECU	145.00 ECU

Following the accession of Greece to the Community an intervention price and a production aid have been fixed for that country with effect from 1 January 1981 and for the 1980/81 marketing year, at the following levels:

- intervention price            170.80 ECU/100 kgs.
- production aid                11.16 ECU/100 kgs.

4. Production refund for olive oil used in the manufacture of preserves

The purpose of this refund is to enable beneficiaries to buy on the Community market, at prices close to world market prices, the quality of oil which they use most frequently for their manufacturing.

The average refund amounted to 61.08 UA/100 kgs. for the 1975/76 marketing year, to 50.33 UA/100 kgs. for the 1976/77 marketing year, to 56 UA/100 kgs. for 1977/78. From the 1978/79 marketing year onwards, following the introduction of the consumption aid system into the scheme for organizing the olive oil market, the amount of the production refund has had to be differentiated, depending on whether the oil used in preserves is of Community or non-Community origin; consequently, for the 1978/79 and 1979/80 marketing years the following average refunds were fixed:

	<u>1978/79</u>	<u>1979/80</u>
Olive oil produced in the EEC	63.55	60.82
in the third countries	47.84	27.26

B. Oilseeds

1. Colza, rape and sunflower seed

(a) Intervention measures

A basic intervention price and derived intervention prices are fixed each year and the intervention agencies are obliged to buy at these prices any products of Community origin offered to them.

The basic intervention price is fixed for a given intervention centre. For other intervention centres, intervention prices derived from the basic intervention price are fixed in the light of the normal conditions governing price formation on the market.

The intervention price is fixed for a given standard quality. If the quality of the products offered to the intervention agency differs from the standard quality, the price is adjusted in accordance with a scale of price increases and reductions.

The intervention price is fixed at the beginning of the marketing year (1 July for colza and rapeseed and 1 September for sunflower seed) and is increased each month to take account of average storage and interest costs in the Community.

The opening basic intervention prices for the marketing years 1978/79 to 1980/81 were fixed as follows:

	UA/100 kgs.		ECU/100 kgs.
	1978/79	1979/80	1980/81
Colza and rapeseed (at 1 July)	34.84	35.36	36.77
Sunflower seed (at 1 September)	37.94	38.51	40.05

(b) Aid

Aid is granted for seeds harvested and processed in the Community when the target price (which is fixed at a fair level for producers) is higher than the world market price.

The amount of aid granted is, in principle, equal to the difference between these two prices. It varies directly with the world market price as determined periodically on the basis of the most favourable genuine purchasing opportunities.

2. Soyabeans

In 1979, in the light of experience gained in management of this market since 1974, the support system was modified for the 1980/81 marketing year.

Aid

Under the new system, the Community fixes each year a guide price and a minimum selling price at levels that are fair to producers. When the guide price is higher than the world market price for soyabeans, aid equal to the difference between these two is granted for soyabeans of Community origin.

The aid is granted to the purchaser who concludes a contract with the producer providing for payment of a price not lower than the minimum price.

For the 1980/1981 marketing year, the guide price is fixed at ECU 42.05/100 kgs. and the minimum price at ECU 38.69/100 kgs.

3. CottonseedProduction aid

In order to help to assure them of a fair income, cottonseed producers in the Community are granted aid, the amount of which is fixed each year and is calculated per hectare sown.

The number of hectares sown and the amount of aid provided over recent years are as follows:

	Area	Amount of aid
Crop year 1978/79	5,900	108.70 UA/ha.
Crop year 1979/80	3,000	133.38 ECU/ha.
Crop year 1980/81	3,000	140.72 ECU/ha.

As from the crop year 1981/82 the cottonseed aid system has been replaced by a system of incentives for Community production of cotton.

#### 4. Linseed

##### Production aid

In order to develop the production of linseed within the Community and, in particular, with a view to affording better support in favour of the cultivation of oil-bearing linseed, a system of aid for production has been introduced since 1976/77 in respect of all linseed produced within the Community.

The system involves fixing a guide price each year at a level deemed to be fair to producers. When the guide price for a crop year is higher than the average world market price, aid equal to the difference between these two prices is granted to Community producers. Aid is granted for a volume of production calculated from a target yield for the area harvested. The guide price, average world market price and aid have been as follows (per 100 kgs.):

	Guide price	World market price	Aid
1978/79 UA	32.430	16.080	16.350
1979/80 ECU	39.790	22.901	16.889
1980/81 ECU	42.180	28.170	14.010

#### 5. Aid for the production of castor beans

As from the beginning of the 1978/79 crop year, a system of aid for castor beans has been introduced; the amount of the aid is equal to the difference between a guide price and the world market price.

This aid system may improve future supplies for Community castor-oil factories by encouraging production of these beans within the Community.

The guide price, average world market price and aid have been as follows (per 100 kgs.):

		Price		Aid
		Guide price	World market price	
1978/79	UA	42.000	20.551	21.449
1979/80	ECU	51.540	37.387	14.153
1980/81	ECU	54.370	31.751	22.619

In addition, for the crop years 1979/80, 1980/81 and 1981/82 a "launching aid" has been granted at the rate of ECU 12.09 per 100 kgs.

"TEXTILE FLAX AND HEMP" SECTOR

The Community regulations provide for the following measures:

1. Production aid

In order to ensure a fair income for the producers concerned, a system of aid has been established for flax (since the 1976/77 crop year, only for textile flax) and hemp grown in the Community.

The amount of this aid is fixed each year, per hectare of area sown and harvested.

For hemp, the aid is granted to the producer. For textile flax, half of the aid is granted to the flax producer and the other half to the person who purchases the raw flax for processing into fibre. If the producer processes his own raw flax or arranges for it to be processed, he receives the entire amount of the aid.

The areas sown and the amount of aid per hectare have been as follows:

	Amount of aid	Area (ha)
<u>Textile flax</u>		
Crop year 1978/79 UA/HA	202.55	60,000
Crop year 1979/80 ECU/HA	248.55	57,400
Crop year 1980/81 ECU/HA	264.71	57,800
<u>Hemp</u>		
Crop year 1978/79 UA/HA	183.96	11,000
Crop year 1979/80 ECU/HA	225.74	8,800
Crop year 1980/81 ECU/HA	240.41	7,000

2. Aid to private storage of flax and hemp tow

In order to avoid or alleviate a substantial drop in prices, holders of tow can conclude storage contracts in the event of temporary market imbalance. This situation arose in 1975, and use was made of this possibility then.

3. Aids to improve the organization of production, marketing and processing

Measures can be introduced to improve the organization of production, marketing and processing, to improve quality and to promote research into new uses. No specific measures have yet been taken in this area, however, since the objectives pursued can be attained, at least to some extent, through horizontal measures designed to improve agricultural structures.

4. Aids to encourage use of flax tow

For the 1980/81 and 1981/82 marketing years, Community measures are being taken to encourage the use of flax in the Community. The estimated cost is ECU 600,000 for 1980/81 and ECU 1,200,000 for 1981/82. These measures are largely financed from that part of aid per hectare that is not paid to the beneficiaries but is earmarked for financing these measures.

"SUGAR" SECTOR

1. Each year, an intervention price for white sugar and an intervention price for raw sugar are fixed for the non-deficit areas of the Community; the intervention agencies are required to buy in the sugar concerned at those prices throughout the marketing year. This obligation to buy applies only to certain specified quantities of sugar.

Intervention prices derived from these prices are fixed for each of the deficit areas.

The intervention price is fixed for a standard quality; if the quality of sugar is different, the price is adjusted in accordance with a scale of increases and reductions.

In addition, intervention prices derived from the intervention price for white sugar are fixed for raw sugar of a standard quality after allowing for a uniform processing margin and notional yield.

The intervention price for white sugar has been fixed at ECU 46.95/100 kgs. for the 1981/82 marketing year.

2. For beet, a basic price is fixed each year valid for a specified delivery stage and a specified standard quality. This basic price is fixed taking account of the intervention price for white sugar and of notional values representing in particular the processing margin, yield, and undertakings' receipts from sales of molasses. In addition a minimum price is fixed for A beet equal to 98 per cent of the basic price and a minimum price for B beet equal to 68 per cent of the basic price. These percentages are in direct relation with the production levies charged on A sugar and B sugar. Manufacturers are required to pay at least these prices.

In addition, in areas for which a derived intervention price of white sugar has been fixed, these minimum prices are increased by an amount equal to the difference between the derived prices of sugar and the intervention price.

3. Denaturing premiums

Taking account of all sugar surpluses and of the economic aspects of the operation envisaged, provision may be made for premiums to be granted by intervention agencies for sugar rendered unfit for human consumption.

4. Reimbursement of storage costs

Provision has been made for lump-sum reimbursement of storage costs in respect of sugar produced under quotas A and B and likewise imported and refined preferential sugar (ACP-India).

This reimbursement is designed to equalize storage costs in the Community. It is a measure designed to ensure regular disposal of sugars in the market throughout the marketing year, to prevent the sale of excessive tonnages during the manufacturing period and in particular to eliminate the offering of sugar to intervention agencies solely in order to avoid storage costs. This reimbursement is financed out of a levy on manufacturers, based on the principle of equality between the total sum reimbursed and the total sum levied.

5. Production levies

For the sugar marketing years 1979/80 and 1980/81, financial losses (export refunds) in respect of disposal of surpluses were entirely financed out of the production levy paid by sugar producers and Community beet and sugar producers for B sugar alone (between basic quota and maximum quota).

As from 1 July 1981, the principle in force is that producers should bear the full amount of any financial losses resulting from disposal of surplus production of Community sugar in relation to consumption in the

Community. Practical implementation of this principle is ensured through a levy which may be charged at a rate of up to 2 per cent of the intervention price on all production under quotas A and B (whereas hitherto only B sugar was subject to a levy). If this first levy does not suffice to cover the financial losses in question then a second levy, which may not exceed 30 per cent of the intervention price, is charged but only on B quota production (i.e. a total of 2 per cent plus 30 per cent equals 32 per cent). Any remaining losses not covered by these levies are automatically carried forward to the next marketing year. Moreover, if there is such an outstanding balance an increase in the B sugar levy, not exceeding 7.5 per cent (i.e. a total levy of 39.5 per cent) may be decided for the ensuing marketing year.

#### "BOVINE MEAT" SECTOR

1. Each year a guide price is fixed for adult bovine animals. This is the price to be aimed at in a normal season, through the operation of the Community regulations, for all categories of adult bovine animals marketed in representative markets of the Community.

In recent years the guide prices have been as follows:

	<u>Adult bovine animals</u> (ECU/100 kgs. live weight)
as from 2.7.79	154.58
as from 2.6.80	160.76
as from 6.4.81	172.82

2. (a) In the three most recent marketing years intervention prices have been fixed at the following levels (per 100 kgs. live weight):

- marketing year 1979/80 (as from 2.7.1979) = ECU 139.12
- marketing year 1980/81 (as from 2.6.1980) = ECU 144.68
- marketing year 1981/82 (as from 6.4.1981) = ECU 155.54

Buying in in the context of "standing intervention" may be in the form of carcasses, compensated quarters, half-carcasses and fore- or hind-quarters.

The maximum buying-in price, live weight, per category is calculated by applying to the intervention price a co-efficient reflecting the relationship to be aimed at between the price of the quality concerned and the price of the adult bovine animals in the case of normal production.

The maximum buying-in price for quality, carcass weight, is derived from the maximum buying-in price, live weight, by application of a yield co-efficient.

(b) In addition to public intervention, aids to private storage may be granted. The amount of such aid is:

- either established in the context of a tendering procedure;
- or fixed in advance on a lump-sum basis.

As in the case of public interventions, these aids may be granted for carcasses, half carcasses, compensated quarters, fore-quarters or hind-quarters.

3. For the 1981/1982 marketing year:

- (1) by derogation from the principle of "standing intervention", buying-in by intervention agencies may be suspended entirely or partly in a member State or in a region of a member State:
  - (a) by the Commission, under the Management Committee procedure, when for three consecutive weeks the market price is more than 100 per cent but not more than 102 per cent of the maximum buying-in price;
  - (b) by the Commission, when, for three consecutive weeks the market price is more than 102 per cent of the maximum price.
- (2) If buying-in by intervention agencies has been suspended under paragraph (1) the Commission may decide to re-establish it when the market price is equal to or below the maximum buying-in price over a period of two consecutive weeks.

#### "PIGMEAT" SECTOR

1. Each year a basic price is fixed for meat of domestic swine, presented in carcasses or half-carcasses of a standard quality.

The basic prices for recent years have been as follows:

as from 1.11.1978	122.604 UA/100 kgs.
as from 1.11.1979	150.446 ECU/100 kgs.
as from 1.11.1980	158.724 ECU/100 kgs.
as from 1.11.1981	176.180 ECU/100 kgs.

2. Intervention measures may be taken when, on the representative markets of the Community, the average price for pig carcasses is below the basic price.

Where intervention measures are to be taken, the products for which private storage aid is to be granted and the products of a defined quality which are to be bought in are determined, and likewise the prices at which the intervention agencies are to buy-in products and the amount of private-storage aid are fixed.

The buying-in price for pig carcasses of standard quality may not be more than 92 per cent nor less than 78 per cent of the basic price.

For products other than pig carcasses of standard quality, the buying-in prices are derived taking into account differences of presentation and quality.

3. Because of cyclical variations in pigmeat prices, private storage aids were granted in respect of several products in the sector from 27 May 1978 to 27 October 1978 and from 29 January 1979 to 21 September 1979.

Other periods of intervention in the form of private storage aid:

5 May 1980-21 June 1980

1 August 1980-3 October 1980

30 March 1981-1 May 1981 (France - Brittany)

#### "SHEEPMEAT" SECTOR

1. Each year a basic price is fixed for fresh or chilled sheep and lamb carcasses. In recent years, the basic prices have been as follows:

as from 20.10.1980	345.- ECU/100 kgs.
as from 6.4.1981	370.88 ECU/100 kgs.

2. (a) In recent marketing seasons, the intervention price has been fixed at the following levels (per 100 kgs. carcass weight):

1980/1981 marketing year (as from 20.10.1980) = 293.2 ECUs

1981/1982 marketing year (as from 6.4.1981) = 312.25 ECUs

(b) Aids can be granted to sheepmeat producers.

For the 1980/1981 marketing year, the premium per ewe was paid only in Ireland and the United Kingdom; in addition, a variable slaughtering premium is paid in the United Kingdom (1980/1981 and 1981/1982 marketing years), calculated on the difference between the guide level equal to 85 per cent of the basic price and the actual market price.

#### "FRUIT AND VEGETABLES" SECTOR

(a) Measures to promote the formation of producers' organizations

In order to encourage the formation of producers' organizations and facilitate their operation, aids can be granted to such organizations established on the initiative of producers in order to promote the concentration

of supply and the regularization of prices at the producer stage and to make suitable technical means available for presenting and marketing products.

The following may be granted:

- an initial aid during the three years following establishment of the organization, the amount of this aid not to exceed for the first, second and third years respectively, 3 per cent, 2 per cent, and 1 per cent of the value of production marketed. As from 1 October 1977, however, and for seven years thereafter, such aid can be granted during the five years following the date of establishment of an organization. The amount of the aid for the first, second, third, fourth and fifth year is, respectively, 5, 4, 3, 2 and 1 per cent of the value of production marketed, provided that the resulting amounts do not exceed the costs of establishing and administering the organization;
- an aid in the form of loans on special terms to cover part of the anticipated cost of withdrawal measures, such aid being granted only during the five years following the date of establishment of the organization.

(b) Intervention measures

For certain fruit and vegetables<sup>1</sup>, two measures are provided in order to avert a price slump in the Community market, i.e.

- withdrawal by producers' organizations;
- buying-in by bodies or natural or legal persons appointed by the member States for this purpose.

Producers' organizations taking withdrawal measures in accordance with the provisions of the regulations, in particular as regards the level of withdrawal prices and the compensation of associated producers and likewise as regards the utilization of products withdrawn, obtain financial compensation equivalent to the compensation paid by them to associated producers, after deduction of the net receipts derived from the products withdrawn from the market.

Buying-in by bodies or natural or legal persons appointed by the member States for the purpose takes place only where a serious crisis is found to exist for the product concerned and at clearly specified price levels.

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<sup>1</sup> Cauliflowers, tomatoes, sweet oranges, mandarins, lemons, table grapes, apples (other than cider apples), pears (other than perry pears) and peaches (not including nectarines).

(c) Special measures for citrus fruit

(i) Measures for the marketing of fresh citrus fruit

In order to promote and ensure availabilities of Community-produced oranges, mandarins, clementines and lemons on Community import markets, financial compensation can be granted to sellers of producing member States.

(ii) Measures to encourage processing

In order to encourage greater recourse to processing of certain varieties of oranges which encounter marketing difficulties, and to make products processed from Community-grown lemons competitive, financial compensation can be granted in order to guarantee a minimum price to fruit producers, while ensuring regular supplies to the processing industries. Grant of this compensation is subject to observance of certain contractual conditions as between the seller and the purchaser.

The financial compensation is paid to the processor by the member State in which the processing has taken place.

The amount of the compensation and the minimum price to the producer are fixed before the beginning of each marketing year.

"PROCESSED FRUIT AND VEGETABLES" SECTOR

Production aid

A system of production aid has been established for pineapple preserves, Community production of which is located in the French overseas departments.

The system is designed to compensate the difference between the Community price and prices prevailing in third countries.

The granting of this aid is dependent upon payment of a minimum price to pineapple producers.

As from the beginning of the 1978/79 crop year, a system of production aid was established for prunes produced by the drying of grafted plums, tomato-based processed products, and peaches preserved in syrup; as from the crop year 1979/80 for William pears preserved in syrup; and since the crop year 1980/81 for cherries preserved in syrup.

The amount of the aid is fixed at a level that compensates the difference between the prices of Community products and those of products of third countries. The granting of this aid is dependent upon payment of a minimum price to the agricultural producers. For William pears and cherries, preserved in syrup, the granting of this aid is limited to specified quantities (74,000 t. for William pears, 26,750 and 49,140 t. for cherries for 1979/80).

For the 1979/80 crop year, the aid was fixed at:

- 37.10 ECU/100 kgs. for (28/30 per cent) tomato concentrates
- 15.98 ECU/100 kgs. for (San Marzano) whole peeled tomato preserves
- 12.73 ECU/100 kgs. for (Roma) whole peeled tomato preserves
- 6.24 ECU/100 kgs. for non-whole peeled tomato preserves
- 9.15 ECU/100 kgs. for (5/7 per cent) tomato juice
- 26.06 ECU/100 kgs. for peaches preserved in syrup
- 47.90 ECU/100 kgs. for prunes
- 23.16 ECU/100 kgs. for William pears preserved in syrup
- 29.21 ECU/100 kgs. for white-hearted and other sweet cherries preserved in syrup
- 31.11 ECU/100 kgs. for morello cherries preserved in syrup.

"WINE" SECTOR

1. For each type of wine for which a guide price is fixed, a threshold price triggering the intervention machinery, termed the "activating price", is fixed annually.

The activating prices for the 1976/77 to 1978/79 marketing years were as follows:

	<u>Type of wine</u>	<u>1978/79</u>	<u>1979/80*</u>	<u>1980/81*</u>
R I	(UA/degree/hl)	1.93	2.36	2.49
R II	(UA/degree/hl)	1.93	2.36	2.49
R III	(UA/hl)	30.00	36.84	38.87
A I	(UA/degree/hl)	1.79	2.17	2.27
A II	(UA/hl)	39.66	48.14	50.79
A III	(UA/hl)	45.29	54.98	58.00

\*ECU

2. Aids for private storage of table wines

(a) Long-term contracts

Provision is made for the possibility of concluding long-term contracts in respect of defined table wines when the forward estimates for a wine-growing year show that the quantity of table wine available at the beginning of the wine-growing year exceeds total foreseeable requirements for that year by more than four months' consumption.

(b) Short-term contracts

If in a wine-growing zone or part of a wine-growing zone, an imbalance appears at the beginning of the wine-growing year between the quantities available and the quantities that can be sold, in particular owing to an exceptionally abundant harvest, a decision may be taken to grant private storage aids to the wine-growing zone in question.

Private storage aids are likewise granted for a type of wine if during the wine-growing year, the representative price for that type of wine remains less than the activating price for two consecutive weeks, and until the representative price for that type of wine exceeds the activating price for two consecutive weeks. If the state of the market so requires, a decision may be taken to grant aid also for table wines of a type other than that for which the representative price remains less than the activating price for two consecutive weeks, where such table wines stand in close economic relationship with the latter type.

In the two above cases, grant of aids is subject to the conclusion of "short-term" storage contracts, valid for a period of three months.

Recourse to short-term contracts is suspended so long as long-term contracts can be concluded.

3. Aids for private storage of grape must and concentrated grape must

(a) Short-term contracts

Provision may be made for the possibility of concluding short-term storage contracts for grape must and concentrated grape must if the market situation so requires, and in particular when preventive distillation is decided on.

(b) Long-term contracts

When it has been decided to provide for the possibility of concluding long-term contracts for private storage of table wines, the possibility may also be opened for concluding long-term contracts in respect of grape must and concentrated grape must.

4. Re-storage aids

In cases where the foreseeable level of end-of-season stocks held by producers and prospects for the next harvest indicate a risk of storage difficulties for that harvest, a decision may be taken to grant re-storage aid in respect of table wines covered by short- or long-term contracts.

5. Aids to concentrated grape must and rectified concentrated grape must used in wine-making

If it appears necessary, on the basis of harvest forecasts, to enrich a major part of production, aid may be granted in favour of concentrated grape must and rectified concentrated grape must produced in the Community and used to raise the alcoholic strength of wines.

6. Aids to grapes, grape must and concentrated grape must used for purposes other than wine-making

In order to encourage the use of vine products of Community origin for purposes other than wine-making, a system of aids has been established, as from the 1980/81 marketing year, for:

(a) Grapes, grape must and concentrated grape must intended for the preparation of grape juice.

For the first marketing year 1980/81 the amount of the aid has been fixed at:

- ECU 4.8 per quintal of grapes
- ECU 6.0 per hectolitre of grape must
- ECU 21.0 per hectolitre of concentrated grape must

(b) Concentrated grape must intended for traditional preparation in the United Kingdom and Ireland of certain products falling within TDC heading 22.07 ("British and Irish wines").

For the first marketing year 1980/81, the amount of the aid has been set at ECU 0.15/kg. of concentrated grape must used. The latter must be obtained entirely from grapes produced in vine-growing zone C III of the Community.

(c) Concentrated grape must used as the principal element in a group of products marketed in the United Kingdom and in Ireland with visible instructions for preparing a beverage imitating wine (home-made wine).

For the first marketing year 1980/81, the amount of the aid has been fixed at ECU 0.26/kg. of concentrated grape must used.

## 7. Distillation

### (a) Preventive distillation

Where during the period from 1 September to 15 December the quantity of table wines of all types under storage contracts exceeds 7 million hectolitres, preventive distillation may be decided on for all wines, other than:

- wines produced from table grapes;
- wines produced from varieties of vines obtained from interspecific crossings (direct producer hybrids) falling into the category of provisionally authorized varieties;
- wines suitable for producing certain spirits with a registered designation of origin.

The buying-in price for wine delivered for distillation under the preventive distillation provisions is equivalent to 55 per cent of the guide price for table wine of type A I in force in the year of the harvest concerned.

### (b) Performance guarantee

Where the other market support measures are inadequate and where the representative price of a type of table wine remains lower than the activating price for three consecutive weeks, additional measures applicable to holders of long-term storage contracts for the type of table wine in question are taken, to maintain prices at a level higher than the activating price.

These additional measures can consist in particular of:

- storing the wine concerned for a specified period in the conditions prescribed for long-term storage;
- distillation of these wines or of a corresponding quantity.

In the event of distillation, the quantity of table wine covered by a storage contract and which may be distilled may not exceed 18 per cent of the total quantity of table wine produced by the long-term storage contract holder concerned for the marketing year in which the long-term contract was concluded. The buying-in price of wine to be distilled in this way is equal to the following percentage of the guide prices in effect when the long-term storage contracts were concluded:

- 90 per cent for all white table wines;
- 91.5 per cent for all red table wines.

(c) Exceptional distillation

Where the application of the other market support measures is unlikely to be effective in restoring price levels the Council, acting on a proposal by the Commission, may adopt provisions concerning the distillation of table wine.

(d) Distillation of wines suitable for producing certain spirits with a registered designation of origin

In years when output of wine suitable for producing certain spirits with a registered designation of origin exceeds by 1 million hectolitres the volumes of wine intended for that purpose in the preceding season, it may be decided that the wines concerned can be distilled.

The buying-in price of wine delivered for distillation is equivalent to 50 per cent of the guide price for type A I table wine in force in the year of the harvest concerned.

(e) Distillation of wines in the context of the minimum price system

If, despite implementation of all the intervention measures provided under the wine regulations, the representative price for a specified type of table wine remains lower than 85 per cent of the guide price for three consecutive weeks, the Council may decide to fix a minimum price for that type of table wine and to establish measures to ensure observance of that price; in addition, marketing of this type of table wine may be limited to the extent that the aforementioned minimum price is not reached.

If the Council decides to fix the minimum price, it decides at the same time to authorize distillation of wines of the type concerned. The buying-in price of wine delivered for distillation is fixed at the same level as the minimum price.

(f) Special distillation

If the volume of availabilities in the Community, plus the volume of wine imports from Algeria, Morocco and Tunisia, causes disruption in the Community market, a special distillation of table wines may be made, reserved for the producers' associations.

8. Other support measures

(a) To the extent necessary to support the market for table wine, intervention measures may be taken in respect of products other than table wine covered by the wine regulations.

(b) If prices are found to have increased in the wine market of the Community so as to be substantially above the guide price fixed for a particular type of wine, that the situation is likely to continue and that as a result the market is being disrupted, the necessary action may be taken.

(c) The Council may adopt derogation measures that may be necessary to remedy any exceptional situation resulting from natural disasters.

#### "TOBACCO" SECTOR

A price system has been established, providing for the obligation to buy in at the intervention price, and for the grant of premiums to users who purchase leaf tobacco directly from the producer.

The Council fixes each year, for the coming year's harvest:

- the intervention price for leaf tobacco for each variety of Community production and for a reference quality of each variety, as well as for certain varieties a derived intervention price for packaged tobacco;
- the amount of the premium according to variety.

The intervention prices for leaf tobacco, intervention prices for packaged tobacco and the amount of the premium have been as indicated on the annexed table.

In order to prevent the accumulation of intervention stocks, the system makes provision for measures to regulate the market: acting on a proposal by the Commission, the Council may adopt specific measures, in particular, measures excluding all or part of the tobacco qualities of the varieties concerned from intervention purchases, or measures reducing the intervention price (R. 727/70, articles 12 bis and 13).

#### "FISHERY PRODUCTS" SECTOR

During the past three years, expenditure has been made in respect of financial compensation granted to producers' organizations and export refunds.

##### 1. Financial compensation to producers' organizations

In order to stabilize prices, producers' organizations can fix a withdrawal price below which they do not sell the products brought in by their members, in respect of herring, sardines, redfish, cod, saithe, haddock, whiting, mackerel, anchovies, plaice, hake and shrimps of the genus Crangon sp.p. In such cases, the producers' organizations grant an indemnity to associated producers in respect of the quantities withdrawn from the market.

N° d'ordre	Variétés	Prix d'intervention				Primes octroyées aux acheteurs de tabacs en feuil- les (ECU/kg)	
		Tabacs en feuilles (ECU/kg)		dérivé : tabacs emballés (ECU/kg)			
		Récoltes		Récoltes		Récoltes	
		1979	1980	1979	1980	1979	1980
1	a) Badischer Geudertheimer b) Forchheimer Havanna IIc	2,608	2,713	3,944	3,994	1,984	2,074
2	Badischer Burley	3,118	3,243	4,439	4,541	2,065	2,218
3	Virgin D	3,027	3,163	4,040	4,155	2,001	2,096
4	a) Paraguay et ses hybrides b) Dragon vert et ses hybrides, Philippin, Petit Grammont (Flobecq), Semois, Appel terre	2,321	2,449	-	-	1,621	1,799
5	Nijkerk	2,261	2,385	-	-	1,559	1,653
6	a) Misionero et ses hybrides b) Rio Grande et ses hybrides	2,096	2,223	-	-	1,608	1,720
7	Bright	2,542	2,657	3,580	3,678	1,628	1,714
8	Burley I	1,859	1,971	2,780	2,883	1,058	1,221
9	Maryland	2,181	2,268	3,150	3,220	1,316	1,369
10	a) Kentucky et ses hybrides b) Moro di Cori c) Salento	1,937	2,024	2,751	2,824	1,055	1,218
11	a) Nostrano del Brenta b) Resistente 142 c) Gcmano	1,851	1,924	2,764	2,824	1,514	1,579
12	a) Beneventano b) Brasile Selvaggio et variétés similaires	1,271	1,465	1,934	2,138	1,110	1,171
13	Xanti-Yakà	2,689	2,756	4,250	4,265	1,867	1,970
14	a) Perustitza b) Samsun	2,263 -	2,320 2,610	3,402 -	3,407 3,740	1,776 -	1,864 1,864
15	Erzegovina et variétés similaires	2,031	2,083	3,065	3,070	1,576	1,654
16	a) Round Tip b) Scafati c) Sumatra I	11,990	12,289	18,091	18,267	6,891	7,384

La récolte 1981 est caractérisée par l'inclusion des variétés héliéniques (n° 17 à n° 26) ainsi que par la modification des variétés n° 1 et 11

N° d'ordre	Variétés	Prix d'intervention		Primes octroyées aux acheteurs de tabacs en feuilles (ECU/kg)
		Tabacs en feuilles (ECU/kg)	dérivés : tabacs emballés (ECU/kg)	
1	Badischer Gaudertheimer	2,849	4,160	2,219
2	Badischer Burley D	3,405	4,734	2,384
3	Virgin D	3,321	4,331	2,243
4	a) Paraguay et ses hybrides b) Dragon vert et ses hybrides, Philippin, Petit Grammont (Plo-becc), Semois, Appeltonne	2,694	-	1,979
5	Nijkerk	2,624	-	1,818
6	a) Misionero et ses hybrides b) Rio Grande et ses hybrides	2,445	-	1,892
7	Bright	2,922	3,975	1,835
8	Burley I	2,148	3,084	1,331
9	Maryland	2,450	3,427	1,479
10	a) Kentucky et ses hybrides b) Moro di Cori c) Salento	1,871 (1)	2,650 (1)	1,373
11	a) Forcheimer Havana II C b) Mostrano del Brenta c) Resistente 142 d) Uojano	2,822	4,127	2,157
12	a) Beneventano b) Brasile Selvaggio et variétés similaires	1,524	2,205	1,218
13	Anti-Yaké	2,547 (1)	4,015 (1)	2,220

) En application de l'article 13 du R. 727/70

N° d'ordre	Variétés	Prix d'intervention		Primes octroyées aux acheteurs de tabacs en feuilles (ECU/kg)
		Tabacs en feuilles (ECU/kg)	dérivé : tabacs emballés	
14	a) Perustitza	2,413 (1)	3,514 (1)	2,114
	b) Samsun	2,714	3,859	2,114
15	Erzegovina et variétés similaires	2,166 (1)	3,166 (1)	1,904
16	a) Round Tip	12,780	18,831	8,122
	b) Scafeti			
	c) Sumatra I			
17	Pasmas	3,843	5,240	2,292
18	Katerini et variétés similaires	3,362	4,896	2,038
19	Kaba Koulak classic	2,986	4,256	1,802
20	a) Kaba Koulak non classic	2,339	3,588	1,366
	b) Elascana, Myrodata Smyrne, Trapezous et PHI 1			
21	Myrodata Agrinion	3,080	4,308	1,882
22	Zichnomyrodata	3,091	4,375	1,919
23	Tsebelia	3,297	4,607	2,300
24	Mavra	3,218	4,519	2,371
25	Burley GR	1,556	2,480	0,797
26	Virginia Gr	2,505	3,508	1,421

For the financing of these withdrawal measures, the producers' organizations establish intervention funds made up of contributions based on the quantities offered for sale, or use an equalization system.

To support the action by producers' organizations, financial compensation is granted to them where the products withdrawn from the market are used for purposes other than human consumption or in such conditions that they do not hinder normal disposal of the products concerned. This financial compensation is calculated on the basis of the quantities withdrawn from the market at the withdrawal price, multiplied by 55-60 per cent of the guide price for the product concerned and by a quality adjustment co-efficient and reduced by a fixed lump sum according to the intended use of the withdrawn product for non-human consumption.<sup>1</sup>

## 2. Public buying-in of sardines and anchovies

In order to avoid a slump in prices of sardines and anchovies, provision is made for public buying in, through bodies appointed for the purpose by the member States, where for one of the representative markets or ports prices remain below the intervention price during three successive market days. The products are bought in at the intervention price, multiplied by a quality adjustment co-efficient, and must be intended for uses other than human consumption.

## 3. Private storage aid

Provision is made for storage aid in respect of certain frozen products (sardines, sea-bream of the species *Dentex dentex* and *Pagellus*, squid, cuttlefish, octopus) when prices in one of the representative markets or ports remain below 85 per cent of the guide price for the product concerned during a period significant of a trend toward market disruption. The amount of this aid may not exceed actual storage costs and interest charges.

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<sup>1</sup>In recent years the amounts granted for intervention and export have been as follows:

	<u>1978</u>	<u>1979</u>	<u>1980</u>
			(ECU '000)
- Interventions	6,853	8,499	11,561
- Refunds	7,168	8,508	11,398

4. Compensation to tunny producers

In order to prevent any drop in import prices for tunny intended for the processing industry from threatening the income level of Community producers, provision is made for the grant of compensation where necessary.

5. Export refunds

During the period under reference, export refunds have been mainly granted in respect of salted and dried cod and saithe and also frozen mackerel.

"SILKWORMS" SECTOR

Provision is made for the following measures under the Community regulations:

1. Production aid

In order to contribute to ensuring a fair income for silkworm rearers, an aid has been established for silkworms reared in the Community.

The amount of the aid is fixed each year per box of silkworm eggs used. The aid is granted to the rearer responsible for rearing the worms.

The number of boxes used and the amount of the aid have been as follows:

	Number of boxes	Amount
Season 1978/79	8,600	55.00 UA/box
Season 1979/80	5,500	67.50 ECU/box
Season 1980/81	4,000	71.21 ECU/box

2. Aid to improve quality

Provision is made for Community measures to improve the quality of silkworms and silkworm eggs. To date, the objectives pursued have been attained, at least to some extent, through horizontal measures designed to improve agricultural structures.

"DRIED FODDER" SECTOR

As from 1974/75 marketing year, an organization of the market was established in the dehydrated fodder sector.

It provided, inter alia, for the granting of aid in respect of the quantity of dehydrated fodder produced that meets certain conditions in respect of moisture content and protein content.

This system was applicable until the end of the 1977/78 marketing year. It was introduced in order to increase Community production of dehydrated fodder which is a source of protein.

For the 1975/76, 1976/77 and 1977/78 marketing seasons, the amount of the aid was fixed at UA 8.00, 9.00 and 9.55/ton respectively.

In a normal year, production of dehydrated fodder can be estimated at approximately 1.5 million tons.

In 1976, a year of drought, production fell to 1.25 million tons.

Since the 1978/79 marketing season, the system has been changed: the new common organization of markets in the dried fodder sector covers the following products: dehydrated fodder, the principal leguminous vegetables, sun-dried and ground, protein concentrates obtained from alfalfa and grass juice. The other main features of the new system are the fixing each year of a target price at a fair level for producers, the granting of a fixed-rate aid to processing undertakings, together with an additional aid if the world market price falls below the target price. The additional aid is fixed each month.

As from the 1979/80 marketing year, the main features of the market organization system have developed as follows:

Marketing year	1979/80	1980/81	1981/82
Target price (ECU/t)	126.40	134.62	148.08
Fixed-rate aid <sup>1</sup>	6.14	3.51	7.03
Additional aid <sup>1</sup>			
- dehydrated fodder and protein concentrates	70%	80%	80%
- fodder dried otherwise	40%	45%	45%

<sup>1</sup> Percentage of the difference between the target price and the world market price.

"FIELD PEAS AND FIELD BEANS FOR USE AS FODDER" SECTOR

Taking into account in particular the low self-sufficiency ratio of the Community in regard to proteins for animal feed, special measures for field peas and field beans used as fodder were adopted by the Council on 22 May 1978 in order to encourage this production. These measures have been in operation since 1 July 1978.

The products concerned are in direct competition with oilcake imported from third countries at zero duties. A system has been established under which aid is granted to fodder manufacturers who use field peas and field beans produced in the Community, if the world market price of soyacake is less than the activating price for aid fixed for soyacake. This aid is granted only if the fodder manufacturer has paid to the producer a price not lower than the minimum price fixed by the Council to ensure an equitable level to the producer.

As from the 1979/80 marketing year, these prices have developed as follows:

Marketing year	1979/80	1980/81	1981/82
Activating price (ECU/100 kgs.)	34.97	37.59	41.83
Minimum price (ECU/100 kgs.)	21.48	22.66	24.47

"HOPS" SECTOR

In order to ensure a fair income for hop producers and to achieve sound management of the market, the Community regulations were amended substantially on 17 May 1977. As amended, the regulations provide for the institution of a system of aid per hectare and per group of hop varieties. This aid is granted in those regions of the Community in which recognized producer groups are able to ensure a fair income for their members and to achieve rational management of supply, the aid being granted to such producer groups alone. In the other regions, aid is granted to individual producers.

The amount of the aid is fixed each year for the preceding year's harvest, on the basis of proceeds from the harvest concerned. The aid was granted in 1978 and 1979 in respect of the 1977 and 1978 harvests on the basis of the system established under the new basic regulation. It was granted in respect of three groups of varieties:

- (i) aromatic
- (ii) bitter
- (iii) other

The amounts per hectare (ECU/ha) were as follows:

	<u>1978</u>	<u>1979</u>	<u>(Commission proposal for 1980)</u>
- Aromatic	290	250	250
- Bitter	248	225	200
- Other	331	250	250

In 1978 the EEC introduced a certification system for Community hop production, covering in particular the quality and origin of hops. At the same time and in pursuance of the obligations established by the basic regulation on hops, a system was introduced for verifying the equivalence of hops imported from third countries, supplemented by equivalence certificates issued by certain third countries exporting to the EEC, and recognized by the Community.

#### "SEEDS" SECTOR

Under the Community regulations in force since 1 May 1972 and applied as from 1 July 1972, a production aid is granted for certain types of seeds.

The amount of aid is fixed taking into account the market situation (balance between supply and demand) as well as the price for these products on third country markets. The amount of aid for the 1979/80 to 1981/82 marketing years was fixed as follows:

		<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>
			ECU/t.	ECU/t.
I.	Gramineae	between 133 and 459	between 135 and 503	between 135 and 553
II.	Leguminosae	between 49 and 339	between 49 and 368	between 49 and 409
III.	Oilseeds	between 127 and 175	between 129 and 178	between 129 and and 178
IV.	Cereals (rice)		121	121

A reference price system exists in respect of hybrid maize, in order to defend Community production against abnormally low offer prices.

These reference prices are fixed by the Commission each year before 1 July for the various types of hybrid maize; the prices are based on the free-at-frontier offer prices recorded in the three preceding years.

Variety	EEC(CCT) classification	1980/81 ECU/t.
10.05 A I.	Double/top cross hybrids	700
10.05 A II.	Three-cross hybrids	940
10.05 A III.	Single hybrids	1,350

Countervailing charge

Since January 1979 a countervailing charge has been introduced for the three types of hybrid maize mentioned above, while observing the GATT bound duty.

