

GENERAL AGREEMENT ON TARIFFS AND TRADE

Multilateral Trade Negotiations

Original: Spanish

GROUP 3(e) - BASIC DOCUMENTATION

Agricultural Policies

Addendum

SPAIN

A. Objectives of Spain's agricultural policy

The principal objectives of Spain's agricultural policy are the following:

- to raise the standard of living of the agricultural population;
- to ensure national supplies and improve the trade balance;
- to conserve and protect nature.

These three objectives are pursued within the framework of planning that covers the national economy as a whole and is embodied in the Third Economic and Social Development Plan. This Plan, which covers a four-year period, has been in effect since 1972; it is in the nature of advisory assistance for the private sector but is binding on the public sector.

The Third Plan has been drawn up on the basis of projections for the national economy in 1980, determining action to be taken under the Plan until 1975.

Among agricultural policy measures, one may mention in particular those designed to facilitate orientation of production, those that are of particular relevance for remedying structural problems, those connected with the extension of irrigation, those designed to ensure rational utilization of natural spaces, those designed to improve the marketing and manufacture of agricultural products and, lastly, those concerned with the promotion of agricultural research, the dissemination of new techniques and the training of the farming population.

B. Orientation of Spanish agricultural policy

1. Price policy and orientation of production

The price policy is viewed as being one of the essential measures for approximating income in the agricultural sector to income in other producing sectors, and at the same time as an instrument for adapting production to national requirements. In Spain the price policy is defined in such a way as to constitute a whole together with the policy of structures and development of the agricultural infrastructure; in addition it is consistent with the measures taken in other sectors of the national economy.

More generally, Spain's price policy comprises a system of guaranteed prices, indicative and intervention prices designed to orientate production in the following producing sectors: cereals, bovine meat, vegetables and fodder, sugar beet, cotton, vegetable oils, wine, milk and eggs.

2. Foreign trade policy

Imports of agricultural products are subject to the provisions of Decree No. 3221/1972 of 23 November which introduced import liberalization for the private sector in respect of a broad range of products.

Spain's agricultural exports are in general liberalized and are carried out by private firms.

3. Development policy for agricultural infrastructure

Most of the action taken has been in respect of irrigation. During the period of implementation of the Third Development Plan, Ptas 45,000 million, representing 60 per cent of public investment in agriculture, are being earmarked for irrigation projects.

In recent years some 55,000 hectares of land have been brought under irrigation by the State each year, and 23,000 hectares by private initiative.

4. Structures policy

The measures taken in this field are designed to improve existing farms through concentration of land holdings and through various measures to establish farms of sufficient size for profitable farming activities.

In recent years approximately 350,000 hectares have been re-grouped each year, and the average acreage per farm, which was 0.36 hectares in 1972 before the concentration measures, has since been raised to 2.89 hectares.

In some little-developed regions of the country serious structural problems frequently arise. These regions can benefit from a series of provisions designed to speed up their development. State activity there is designed to encourage the establishment of sufficiently large farms with the necessary organization and capital, and in addition to promote combined action by other ministerial departments in respect of vocational and cultural training, development and equipment of rural communities, etc. In 1972 these activities covered an area of 9 million hectares with a population of 4.4 million persons.

5. Policy for manufacture and marketing of agricultural products

Under the Third Development Plan, public investment in the field of marketing and manufacture of agricultural products is to reach Ptas 5,200 million.

As regards manufacturing activities, with assistance under the Plan 223 new processing plants for agricultural products were established in 1972, representing a total investment of Ptas 2,018 million: also in that same year, Ptas 1,065 million were spent on modernizing 188 industries.

In the field of marketing, in order to increase the permeability of the market and improve its functioning, the State has launched two programmes - one to promote local markets for agricultural products, the other for the establishment of livestock markets.

Lastly, since 1972, legal provisions have encouraged the formation of associations of agricultural producers to engage in joint activities relating to the standardization, marketing and, eventually, processing of agricultural products.

6. Social policy

The social measures taken in the agricultural sector are designed to improve rural living conditions and make the same social benefits available to agricultural workers as are enjoyed by the active population in other sectors.

In addition, measures are under consideration to encourage farmers who have reached a certain advanced age to retire from agricultural activity.

7. Agricultural research and extension policy

Agricultural research efforts are basically concentrated on applied research rather than on scientific research.

On the other hand, during the period of implementation of the Third Plan, efforts will be intensified with a view to publicizing the results of research and new cultivation techniques. In addition, as a priority activity, training facilities for farmers are being developed in the field of agronomic techniques and business management. The activities mentioned under this latter heading are addressed to young farmers in training schools and in addition are designed to encourage group agriculture.

8. Policy for reorganization of rural areas and the protection of nature

In order to implement a real environment policy, a new organization has been set up, the National Institute for the Conservation of Nature. The activities entrusted to it mainly concern afforestation and the fight against erosion, as well as maintenance or restoration of the natural environment and its biological equilibrium. In addition, studies and measures are under way with a view to restructuring the economy of mountain regions in order to stabilize the necessary rural population and ensure rational utilization of land.