

'A common agricultural market' from the Süddeutsche Zeitung (1 July 1967)

Caption: On 1 July 1967, the German daily newspaper Süddeutsche Zeitung comments on the entry into force of the single market in cereals, pigmeat, eggs, poultrymeat and oilseeds and analyses the repercussions of the European agricultural policy for the consumer.

Source: Süddeutsche Zeitung. Münchner neueste Nachrichten aus Politik, Kultur, Wirtschaft und Sport. Hrsg. Dürrmeier, Hans ; Herausgeber Proebst, Hermann. 01.07.1967, Nr. 156; 23. Jg. München: Süddeutscher Verlag. "Gemeinsamer Markt", auteur:Strick, Hans-Josef , p. 23.

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A common agricultural market

Producers will have to change their ideas

by Hans-Josef Strick

From today, still less than ten years since the EEC Treaty came into effect, the markets in cereals, flour, pork, eggs and poultry, as well as in fats, are being opened up in the six Member States of the European Community. From now on, there will be only *European* eggs, *European* broiler chickens and *European* pigs. Breadgrain and cattle feed, if they come from the Community, are from today *European*. This brings with it considerable changes in the supply and marketing conditions for consumer and producer alike.

Short-term exceptions

After five years, the transition is now complete — or almost. It is important for both consumers and producers to know that in the first weeks of this common market's existence there will still be a few special regulations in force for the above-mentioned products, the purpose of which is to allow existing stocks to be sold. While external trade in these products is already uniform in character, exceptions will continue to apply to dealings within the internal EEC market. For stocks of soft wheat, hard wheat, rye and barley from the Community harvest, and also malt, in store at the end of the year, a transitional allowance can be carried over into next year. Because malt from newly harvested grain can only be used, in the breweries, very much later than other ground cereals, a special solution applies here: in the first two months of the new year, the adjustment levy from the last month of the previous year is retained.

A production subsidy is granted for maize and soft wheat, which are both used in the production of various starches, in order to enable the producer to compete with chemical products and with cereal and potato starch. Breweries that produce beer not just from malting barley but also from coarse and fine maize semolina also receive a production subsidy, because the community maize price is above world market prices.

Above all, the French market is to be liberalised to provide cereal merchants throughout the Community with access to the market supply. Tight regulation in the French market has up to now meant that 80 % of the cereal harvest has been handled by two large agricultural co-operatives. All cereal storekeepers that are already accredited, as well as all processing concerns and all persons who have sufficient storage capacity and are suitably qualified, will in future be able to register to buy and sell cereals throughout the Community.

Support for pork prices

The most far-reaching change in the regulation of the pork market is the introduction of a price support system. In future, aid can be granted from the agricultural fund for private storage or for purchasing by intervention agencies. The assessment of whether such market intervention is opportune begins when the arithmetical average of the market prices for slaughtered pigs falls below the basic price. If the Community intervention agencies decide to act, then the buying price will be set at a maximum of 92 % and a minimum of 85 % of the basic price. The basic price for pork has been set at DM 294 per 100 kg dead weight and the maximum purchase price at DM 270. From today, the only trade barrier will be a uniform one between the whole of the EEC area and third countries.

More choice, better quality

As with pork, so also with eggs and poultry: measures are being promoted for better organisation of production, processing and marketing, for the improvement of quality and for market prediction, with grants from the agricultural fund. Here, on the other hand, there will be no intervention buying to support prices. The introduction of three uniform grades for EEC eggs is envisaged as from 1 January 1968. From today, the stamping of eggs indicating the country of origin is being discontinued so as not to obstruct the free

exchange of goods within the Community. For rapeseed, seed of beet and sunflower seed, a recommended price of DM 81 per 100 kg and an intervention price of DM 78.60 apply. In contrast to the market regulation system applicable to other products, oils and fats will attract direct financial assistance to bring the oilseed price down to the world market level.

The new regulations have the effect of restoring the impact of the geographical location of agricultural production, of allowing free competition between agricultural producers to perform its proper function, and of reducing administrative controls to a minimum through the abolition of internal Community trade barriers. Traders, food processors and consumers should also find it much easier to select products on the basis of quality thanks to an expanded market supply.