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Brussels, July 5, 1976

Summary of a speech by Mr. Pierre Lardinois,
EEC Commissioner for Agriculture, at the opening
of the Royal Agricultural Show, Stoneleigh, England,
on July 5, 1976

At the opening of the Royal Show at Stoneleigh, EEC Commissioner for Agriculture, Pierre Lardinois, said today that the drought is creating severe problems for individual farmers and, to some extent, for the Community as a whole. "The Commission has already taken increased support measures in the beef sector and I am watching the position closely with a view to seeing what can be done for farmers in affected areas", Mr. Lardinois said.

According to Mr. Lardinois, who visited drought-affected areas in Normandy last week, "there can be no doubt that the problems facing farmers - and especially dairy farmers - in those areas are dramatic." Parts of Britain are also badly-affected, he said. Dairy farmers in the Midlands and the south-east "will face problems similar to those evident in France" and "cereal and sugar yields in the east will probably be reduced." For the Community as a whole, Mr. Lardinois expects problems for maize and wheat. "Yields will be considerably reduced and this will affect our Community-grown supplies."

This situation shows that critics of the common agricultural policy go too far when they consider the CAP "only as a machine for creating surpluses". "Yesterday's mountain has become today's stock. Yesterday's political mismanagement is today's good sense because of the drought", said Mr. Lardinois.

But he added that, in spite of the drought, the Community must continue to tackle the problem of structural dairy surpluses. "Drought or no drought, we have a surplus of skimmed milk powder. We have in store about 1.3 million tonnes. Of that, 500,000 tonnes is a stock, and a wanted stock, and the rest is surplus. Despite the drought milk output is running at a level considerably in excess of demand." Therefore, measures aimed at preventing the build-up of future surpluses will be necessary and Mr. Lardinois announced that an action programme would soon be presented.

The introduction of a milk levy "which will fall equally on all producers in the Community" is to be part of the programme. It will be spent in close co-ordination with the producers "on enlarging the milk market in every possible way". "Schemes for publicity, for market research, product development and so on will be discussed continually between my services and milk producers' and dairy industry representatives." The programme will also comprise a proposal for the conversion of dairy herds which will be linked to retirement benefits and animal health schemes.

Mr. Lardinois wants the package of measures, which the Commission will propose after its exhaustive discussions with farming leaders, to be a coherent strategy for the milk industry that can be followed over several years.

"It will not seek to solve the milk problem overnight" because "we are dealing with people's livelihoods and this is a heavy responsibility", said Mr. Lardinois. Moreover, "the achievement of market balance will take time and panic reactions are damaging."