

The problem of Iberian agricultural products

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Spain and Portugal already maintained significant trade links with the countries of the European Community when they acceded in 1986. Spain ranked sixth amongst the trading partners of the European Economic Community (EEC), which took 50 % of Spain's farm exports. Since the early 1970s, bilateral trade agreements governed trade in both directions. These agreements set customs duties on imports from the Iberian Peninsula to the EEC that were lower than those applied to goods moving from the EEC to the Peninsula. However, with the entry of Spain and Portugal into the customs union, the Ten feared increased competition in agricultural products from the Iberian Peninsula. In 1979, agriculture employed 20 % of the working population in Spain and 31 % in Portugal, but it was based on smallholdings with yields that were well below those achieved by the more intensive farming practised in the Ten, where salaries were higher. At the same time, membership of the EEC would mean that Spain, and particularly Portugal, a net importer of certain foodstuffs, would have to purchase such products at Community prices, which were much higher than world prices.

Imports of Spanish and Portuguese agricultural products such as wine, fruit and vegetables and olive oil posed a serious competitive threat to French and Italian businesses. In fact, many farmers in southern France and Italy violently demonstrated their opposition and, on several occasions, destroyed Spanish lorries held up at the border. Other countries in the Mediterranean region that had also signed non-reciprocal preferential trade agreements with the Community, including Morocco, Algeria, Tunisia and Israel, also risked losing trade. For its part, the Community feared a major increase in spending under the common agricultural policy (CAP) because of the compulsory production subsidies and guaranteed prices.

The French Government, under combined pressure from the farming lobby and Gaullist and Communist Members of Parliament, initially tried to slow down the negotiations taking place with Spain. The French Government was not prepared to sacrifice its Mediterranean agriculture to allow Spain to join the Community. The Franco-Spanish trade dispute also included a thorny political element, since Spain was accusing France of harbouring Basque terrorists within its borders. Finally, there was the seemingly never-ending conflict between French and Spanish fishermen over access to territorial waters. The initial reservations of the Socialist majority in power since 1981 gave way to the development of good relations with the Socialist Governments of Felipe Gonz  lez in Spain and M  rio Soares in Portugal. The obstacles were gradually overcome with the adoption of a Community-wide common organisation of the markets in fruit and vegetables and olive oil in October 1983 and an agreement controlling wine production in February 1985.