'Two opposing agricultural systems?' from Le Monde Diplomatique (March 1985)

Caption: In March 1985, the French monthly magazine Le Monde Diplomatique discusses the situation of Spanish agriculture on the eve of that country's accession to the European Economic Community (EEC).

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Two opposing agricultural systems?

European tourists visiting Spain — and the French do so in large numbers — discover on arrival a rather arid country and one which therefore has very limited agricultural potential. If they go by what they see, they must inevitably ask themselves where the awful threat to European agriculture, about which so much is said, actually comes from.

If, on the other hand, the same tourists venture out into the local markets, they will see that fruit and vegetables are sold at prices far lower than those charged in the Community. If, on returning home, they discuss the matter with a specialist, they will learn that such prices result from the weakness of the producer organisations, which are unable to impose their own prices. Another danger for Europe!

In actual fact, Spanish farming has undergone radical change over the past 25 years. This period saw the end of the endemic crisis which had long plagued rural society. Farmers, with their very low standard of living, accounted for 41 % of the working population but only 23 % of gross domestic product. Today, only 13 % of the working population are farmers, contributing 8 % to gross domestic product (in the EEC, farmers represent 8.2 % of the workforce, accounting for 3.4 % of GDP).

Spain's farmers have succeeded in adapting to changes in consumer habits. They have modernised their sector of activity in a short space of time by mechanising the main farming processes. Country people rendered surplus to requirements in this way have moved to industry or the services sector or have emigrated to the industrialised countries of Europe. In a little over 20 years, the rural working population has declined from 4.8 million to 1.8 million, which is about the same figure as in France today.

While the countryside was emptying, the standard of living was rising, and the process of urban concentration affected the eating habits of the Spanish, who increasingly abandoned cereals and starchy foods generally in favour of proteins and fresh fruit and vegetables. In the early 1960s, for example, annual per capita meat consumption stood at 20 kg; today, that figure has risen to 80 kg. Fruit consumption has risen in much the same way, whether one looks at tangerines (up from 2.4 kg to 7.7 kg), apples (8.6 kg to 22.1 kg), pears (2.9 kg to 11.4 kg) or peaches (3 kg to 12 kg). The same goes for vegetables, with, for example, tomato and artichoke consumption rising from 32 kg to 77 kg and from 2.1 kg 6.2 kg respectively. Output has kept up with the pace of domestic consumption.

When, in 1960, Spain joined the International Monetary Fund (IMF) and the Organisation for European Economic Cooperation (OEEC, the forerunner of the Organisation for Economic Cooperation and Development — OECD), the decision was taken to develop livestock production, even if that meant increasing imports of raw materials for stock-feeding purposes. Meat production increased fourfold in 20 years, the overall figure today standing at 2.7 million tonnes, 16 % of which is accounted for by cattle, 41 % by pigs, 32 % by poultry and 5 % by sheep). There has, however, been little growth in livestock food crops; only barley output has risen in the same proportion, maize production, despite substantial subsidies, having only doubled. In other words, meat production based on intensive farming techniques has turned Spain into a major importer of livestock feed, and in particular of maize (5 million tonnes) and soya (3 million tonnes).

The cost of these imports is such that it is upsetting the balance of external agricultural trade. The import of agricultural products accounts for 13 % to 14 % of purchases from abroad, percentage figures similar to those obtaining in the Community. As in the case of the Community, the United States and Brazil are Spain's main suppliers. All in all, external trade in agricultural products reveals a slightly lower deficit in Spain than in the EEC taken as a whole, but it is not regularly in surplus, as in the case of France, the Netherlands, Ireland and Denmark.

In Spain, as in the EEC, farming continues to be subsidised. There have, on occasion, been large surpluses, of wine, oil crops or even wheat, for example, and these have had to be collectively subsidised by taxpayers. The distribution of agricultural property, which is more uneven than in the EEC, the larger number of workers employed in farming in relation to other sectors of production and lower per capita income have created a heavier burden for the rest of society than is the case in Community Europe. Spanish farmers cost Spain more than European farmers cost Europe.

As regards the differences between the two agricultures, it is fair to say that high energy prices, the differing climates and the availability of land suited to the production of fruit and vegetables offer Spain a relative advantage in respect of these products. In contrast, the paucity of natural grazing land (grasslands are to be found only on the narrow North and North-West fringe), the excessively broken terrain and the small dimensions of farmholdings give European livestock breeders a clear advantage in dairy and beef and veal production.

As matters stand at present, the EEC sells only small volumes of livestock and cereals products to Spain. The big suppliers of maize and soya are the United States, Brazil and Argentina. Spain is, however, a substantial exporter of fruit — primarily citrus fruits — and vegetables and, on a more modest scale, of wine, olive oil and canned vegetables. Admittedly, it is the third-largest exporter of agricultural products to the EEC, after the United States and Brazil. But the Community imports only 9 % of its vegetable requirements, fresh or processed. Imported fruit — including canned fruit and fruit juices — are equivalent to 25 % of total Community output, and the quantities sold by Spain are — with the exception of citrus fruits — modest.

Fear of wine

These sets of features proper to Community agriculture, on the one hand, and to Spanish agriculture, on the other, has prompted the negotiators of the Accession Treaty to provide for transitional periods in which caution will be of the essence. The EEC wishes the opening of its market to Spanish products — which has already advanced to quite an extent — to proceed fairly slowly. The Spanish negotiators, who are starting from a different position (the Spanish agricultural market is, to a large extent, closed to Community imports), are similarly unwilling to concede too hasty an opening of that market, a development which could adversely affect the traditional suppliers on the American continent — although this is, ultimately, inevitable — and penalise small livestock farmers in the north of Spain.

The risk inherent in such a doubly cautious policy is that possible transitional clauses might, in practice, turn Spain into a Member State *sui generis* and, hence, a permanent source of conflict.

There are two sets of reasons for proceeding with such caution: France and Belgium (the former across the board, the latter for tomatoes only) have established schedules for the import of Spanish fruit and vegetables. The Spanish produce has access to the French market only at the beginning and end of each agricultural marketing year. French producers keep their market for themselves in the peak production periods, thereby avoiding a slide in prices. Consumers are, of course, penalised as a result.

For their part, the European negotiators criticise Spain for the unduly limited role played by the producer organisations, whose intervention ought to be decisive when it comes to specifying product qualities and selecting the best varieties and also as regards imposing greater price uniformity for particular varieties. But this Community argument has its weaknesses, too. In the case of oranges, for instance, Spain has set up a citrus fruit management board whose norms are highly demanding, as can be seen from the oranges that are exported.

Spanish wine remains one of its most feared agricultural products. It is claimed that Spain’s entry into the Common Market will result in an enormous lake of surplus wine, the cost of which will be little short of that of the Community milk surpluses (18 % of the EEC budget).

This is over-dramatic. Spain’s wine output is half that of France and 44 % that of Italy, even though vineyards take up 60 % more surface area in Spain. Why is output so low in relation to such a large surface area? The reason is that Spanish production norms are already far tougher than in the Community, with, in particular, a ban on the watering of grapevines.

The very real and serious problems faced by France’s wine growers were not caused by the presence of Spanish wine, but the fear felt by French producers fed on the existing disquiet. The Community is insisting that Spain, in the event of accession, maintain the ban on watering and, according to the latest arrangements agreed in Dublin, that it agree to limit production.

Spain would thus be asked to comply with the following principle: ‘We, the Community’s wine producers, agree not to expand and you, the Spanish, will agree likewise.’ Limitations of this kind — regardless of the question of Spain’s accession — are creating an explosive situation for winegrowers. If this line were to be maintained, Spain would have to reassign land and resources currently devoted to wine growing to the production of livestock feed.

On farming issues, the EEC’s attitude towards the possibility of Spanish accession is consistently one of seeking to defend established positions and refusing to accept the smallest risk. And yet Spain is a modest enough agricultural player, an arid country with no real scope for competing with the Community’s highly efficient farmers.

Seen from Spain, however, EEC accession implies, in this area, risks that are on a quite different scale. The Spanish agricultural market, precisely because it is so fragile, has always enjoyed extremely high levels of protection; this is especially true of the livestock and dairy sectors, which could collapse under pressure from the massive inflow of European produce. These are arguments to which Spanish opponents of accession draw attention at every opportunity, not to mention the risks facing the country’s weak industrial sector; they are quick to mention, too, that Spain has enjoyed a positive trade balance for the last two years (1983 and 1984).

Arguments of this kind fail to shake the advocates of accession. As they see it, the time has come — for historical and cultural reasons — for Spain, and, of course, Portugal, to throw in its lot with Europe once and for all, for better and for worse.

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