Pamphlet by the Irish Council of the European Movement on the Irish farmer in the EC (1971)

The Irish Farmer in the European Community

SUMMARY

Gains from E.E.C. membership

A net gain of £90 million to the balance of payments and up to 20,000 more jobs in the food processing industry can be confidently foreseen if Ireland joins the E.E.C.

Considerable potential for rapid development, better prices, higher farm income, and a total transformation of rural society, would be open to the Irish farmer if we join the Common Market.

The case made by critics of Irish entry is based on extremely doubtful counter-proposals. It is hard to see any bright future for the Irish farmer outside the E.E.C.

With E.E.C. farm price levels about 50 per cent higher than Irish levels — and protected by a levy on foodstuffs imported from outside the E.E.C, an "intervention" system, and subsidies — Ireland's prospects of capitalizing on membership are very favourable.

Both agriculture and the economy should benefit to a marked extent. Agricultural output would rise, in response to the higher price levels and unlimited markets, on the disappearance of the present dampening devices on home output in several areas — milk, wheat, sugar beet, vegetables and lamb.

Recent years have shown a trend of increased output of milk and beef, mainly in response to price increases in these sectors, and barley and wheat production also were buoyant. In the overall picture, gross output rose by almost 25 per cent in volume between 1960 and 1969, largely in response to a rise of 35 per cent in the index of agricultural prices.

Even at present production levels, beef exports would earn £50 million more, dairy exports £40 million more, and lamb exports £2 million more, as a direct result of higher E.E.C. prices. The present Exchequer support of £45 million to maintain Irish farm prices would be replaced by Community financial intervention where necessary, and our contribution to this would be much less than the benefits received in terms of higher farm prices.

E.E.C. prices would boost farm income by over £100 million. The effects of this would be felt throughout rural areas immediately on entry. Gross income of a 20-cow dairy farmer would grow by more than £1,000 per annum, for example. The greater local cash flow would revitalise rural towns.

Employment in food processing industries

A growth of 50 million gallons per annum in milk production would be expected.

The meat industry is a key area of major expansion. The Irish beef industry could double its throughput within seven years after EEC entry, while the store cattle trade would diminish and eventually disappear. The 7,000 jobs in the industry and the 5,000 in the milk processing industry, could be substantially increased, and total employment in food processing could increase by 20,000. If Ireland remains outside the E.E.C. the trends in employment in these industries would be downwards.

Irish farming is competitive

Thanks to higher yields of grass here, a longer season, and lower capital cost of housing, Ireland enjoys a competitive advantage over almost every area of Europe. Thus, any commodity price for grassland products that is acceptable to European farmers would give Irish farmers a far higher level of profit. Further development of efficiency would be stimulated.

Farm production costs

Though the disappearance of fertilizer subsidies would add somewhat under 4 per cent to total farm costs, and though labour costs would tend upwards, the higher returns in terms of product prices would more than offset these higher costs. The Exchequer would also show a net gain.

Farm structures

There will continue to be a need for positive action to offset low living standards on Irish small farms and to reverse the trend among young people to move off the land. On the Continent, the Mansholt plan now being considered by the E.E.C. is aimed at these problems.

With the number employed on the land declining in Ireland by over 9,000 per year for the past ten years there is an urgent need for a national policy of rural structural reform. Within the E.E.C. we would be free to tailor and apply such a policy.

Mansholt's programme — which has built-in safeguards against foreign land-buying — offers small farmers, especially in older age groups and on non-viable holdings, the opportunity and facilities (not available now) to take up alternative local employment or to retire with a special pension.

The options are entirely voluntary, and where they are taken up the intention is to use the land made available to enlarge the farms of those remaining in farming and make rural life more profitable and attractive, especially to the young.

A Mansholt-type programme for Ireland would require urgent action by the Irish Government to develop an effective regional policy — necessary to bring into being the alternative industrial and other non-farm employment that will be required in rural areas.

There would be no difficulty in preventing purchase of farmland by either native or foreign speculators.

It must also be emphasised that credit facilities must be available for land purchase and must be as good as those available in other countries.

The alternatives to E.E.C. membership

If we do not join the E.E.C. grave difficulties can be foreseen. If both Ireland and the U.K. remain out, we will rely heavily on selling all increased production on world markets, where prices — even in the most optimistic view — are worse than the current unsatisfactory U.K. level. Important E.E.C. markets for dairy produce and pigmeat would remain effectively closed to us.

Moreover, the possibility of a formidable British import levy system would hang over us, and the realities of the suggested Far East outlets are not attractive when closely examined.

If Britain becomes an E.E.C. member without us, the future looks ever blacker. We would have to face prohibitive tariff barriers against our exports. The resulting situation would be worse than the Economic War. Irish produce makes up such a small percentage of total U.K. consumption of agricultural produce that there would be no justification for a special trading arrangement to be granted to us in these products, except perhaps for store cattle.

One proposed alternative suggests that we might supply large numbers of live feeder cattle to the E.E.C. Another suggestion is that we might buy feed grains at world prices, fatten pigs and poultry with them and export the meat to the E.E.C.

The first suggestion requires more cows than we could physically provide and there would not in fact be a remunerative market available for the 3.5 million feeder cattle suggested.

The feed grain idea is ruled out by the fact that the E.E.C. levy system is specifically designed to prevent exports to the E.E.C. on this basis: the levies on pigmeat and poultry meat imports rise to compensate for lower world feed grain prices.

A third non-membership possibility might be an Association agreement, or special trading arrangement. Association agreements have, however, proved unsatisfactory to both parties in the past and a trading arrangement would, in any case, be limited to a small range of products.

Prospects for main products

Prospects for the main product areas are excellent if we join the E.E.C.

Dairying

Returns to the expanding dairy industry would be greatly enhanced, as Irish prices both for milk and beef are among the lowest among the "Ten" and would increase enormously in the E.E.C.

As far as E.E.C. butter and milk powder surpluses are concerned, estimates indicate that stocks of butter in the Community have been reduced and that butter stocks could soon be down to normal carry-over level. The intervention price is also a fall-back guarantee.

The cow slaughter scheme currently operated in the E.E.C. would also work to our advantage. To the extent that it reduces the cow herd and milk production in the Six, it would provide us with an even greater opportunity to sell our dairy products above intervention price levels and to secure a market for our beef. The magnitude of the benefits accruing to us would depend on our own efficiency in the production, processing and marketing of our dairy products. For this reason, creamery rationalization is even more urgent.

Beef

Beef prices would offer us our greatest dividend from membership and this is the area where we are best equipped to produce at lowest cost. On the basis of the mid-1970 prices for first-grade animals in the Community, the Irish producer would have got £54 per head more for a 10 cwt. animal. Our £86 million worth of cattle and beef exports in 1969 would have brought in about £50 million more at E.E.C. prices.

Sheep

Great opportunities would exist for expansion in the Irish sheep industry, too. With export prices erratic now, and duties high, the Irish producer is handicapped. But present sheep production in Europe is on a limited scale and, with rising standards of living, there is a strong potential market, notably in France and Belgium. Sheep production is an activity which could be expanded quickly here, at low capital cost.

Tillage

We have higher cereal yields, generally, than those obtained in the Six; a given level of prices would be more to our advantage than to others. Cereal production would continue on its present scale here under EEC membership conditions. Sugar beet production would remain an attractive proposition in the short term.

Pigs

Pigmeat prices will increase. Improvement of pig producers' margins would depend on efficiency on the farm, and particularly in the use of food. Efficiency in marketing would be an important factor, as would the improvement of the structure of the pigmeat processing industry.

Fruit and vegetables

Open competition will be a big challenge for the fruit growers of Ireland, but specialist growers will be able to compete successfully. It seems likely, too, that processing outlets for the bulk of domestic production of field vegetables should continue to be available.

Conclusion

In the main, the free market would provide excellent terms for the Irish farmer, in contrast to the limited market and unfavourable terms he has suffered in the past.

INTRODUCTION

Entry to the European Economic Community would present Irish agriculture with the opportunity to develop rapidly. This development could transform rural society. Such is the message of this pamphlet.

The full realization of this opportunity depends on effective action now by the Government and by organizations and individuals.

The E.E.C.'s agricultural policy provides a high level of protection for European farmers from the depressed price levels of food in world trade. In general, E.E.C. farm prices are about 50% higher than current Irish price levels. The policy aims at a price level of 288/- per cwt. l.w. for beef; 3/9 per gallon for 3.7% fat milk; 36/- per cwt. for dried wheat; 36/- per cwt. for dried barley. Prices of pigmeat, poultry and eggs are directly related to these grain prices.

Price levels are maintained by (i) a levy on foodstuffs entering the Community from outside countries. This level is equivalent to the difference between outside or "world" prices and the higher price levels of the Community; (ii) should the levy system fail to maintain prices, the Community will "intervene" and buy up surplus stocks; (iii) E.E.C. countries that normally export foodstuffs outside the community obtain a subsidy equivalent to the difference between Community prices and "world" prices.

The average price levels mentioned above will vary to a degree with the quality of product, the marketing capacity of the producer and of his co-op, and the local costs of processing and marketing. For instance, some good Dutch creameries pay 4/1 per gallon for milk while some poor French creameries are paying down to 3/3 per gallon; fat cattle in the E.E.C. averaged about 300/- per cwt. live weight in the first half of 1970.

There is free and uninhibited movement of goods between the member states of the Community. The only exceptions to this rule are occasional embargoes because of disease such as swine fever in certain areas or countries. The maintenance of existing health controls will be an important question for this country.

Food exported from Ireland to the Community at present is subject to the normal E.E.C. levy. For instance, the current levy payable on Irish beef entering Italy is 65/- per cwt. l.w. Levies must be paid as long as Ireland remains outside the Community. There are no loopholes. On the other hand, when Ireland enters we will participate directly in all the protection of the Common Agricultural Policy. Ireland will be in a position to obtain the produce prices earlier mentioned with all the increases on those prices that time may bring. The new member countries will share in every benefit enjoyed by existing members even with products such as dairy produce that may be in surplus.

An unlimited outlet for meat and dairy products at E.E.C. price levels will inevitably have a marked beneficial effect on Irish agriculture and on the Irish economy.

The impact on agricultural output will be considerable. For the first time in history Ireland will have unlimited markets for farm produce at favourable prices. At present output is dampened down by various devices; milk production is held back by the multi-tier price arrangement; wheat production is restricted by the levy system; sugar beet and processing vegetable acreages are rationed; beef exports to U.S. are on quota and exports to Europe are severely restricted by levy; lamb exports to Europe are subject to heavy levies and are cut off entirely for a considerable portion of the year. E.E.C. prices are about 50% above present Irish produce prices. Yet, to maintain the lower Irish price levels Exchequer support amounting to £45 million per annum is necessary. The agricultural industry will undoubtedly respond to the incentives of higher prices and unfettered production.

Recent statements opposing EEC entry on the grounds that it would operate against the welfare of Irish farmers have been based on the dubious proposition that increases in livestock prices result in a net reduction in the volume of agricultural output. That this is not so can clearly be seen from an examination of recent trends and policies.

In the creamery milk sector, output increased by over 85% between 1960 and 1969, in response to an upward movement in prices. Output of beef cattle increased by 18% in the same period in response to price increases. At the same time, volume of output of corn crops increased by over 27%, in spite of a reduction in overall acreage. In the wheat sector, the necessity has arisen of applying a levy system to clamp down the level of production. Over this period the volume of gross output (including the value of changes in livestock numbers) increased by almost 25%, in response to an increase of 35% in the index of agricultural prices.

Even in initial stages before growth gathers momentum the national economy will benefit.

Balance of Payments

At present levels of production the value of beef exports will increase by £50 million; dairy exports will increase by £40 million and lamb exports by £2 million. This total of £92 million in increased export revenue is a direct result of the higher E.E.C. prices that will be paid for our main farm products. Exports of pigmeat would also fetch higher prices.

This amount will be counterbalanced to a small degree by the E.E.C. levies on food imports to Ireland from outside the Community. The net gain to the national balance of payments is therefore likely to be about £90 million.

Exchequer Saving

At present Exchequer support amounting to £45 million approximately is needed to maintain Irish farm prices. On entry into the Community direct Irish Exchequer responsibility for farm prices will cease. Any intervention that may be necessary will be financed by Community funds, to which the Irish contribution will be considerably less than the present level of Exchequer price support for agriculture.

The higher E.E.C. farm prices will have an immediate effect on farmer purchasing power with multiplier effects throughout rural areas. For instance, with higher milk and calf prices the gross income of a 20-cow dairy farmer would increase by over £1,000 per annum; in 10 million gallon creameries the increased gross income would amount to almost £1 million. A high proportion of this increased income will circulate locally as farmers will be in a position to pay for increased services, trades staff and farm development. Rural towns will benefit in population and trade from this greater level of economic activity.

Employment in food processing industries

Expansion in agriculture will stimulate further growth in the Irish food processing industry. In beef the removal of the British deficiency payment system and free entry of Irish beef into Britain and Europe at a price of £15 per cwt. or more will lead to a reduction and an eventual elimination of the store cattle trade.

We are unlikely to see any increase in the export of live fat cattle because beef is about 50% cheaper to ship than live cattle and Irish factories are more efficient at every level of production than their counterparts in Britain and Europe. With the elimination of the store trade and a growth in Irish beef production the existing

Irish beef industry is likely to double its throughput over a 7-year period from the beginning of the transition. With the trend of the beef trade away from carcase export and into pre-packed and boneless cuts the meat industry is also likely to become more labour intensive. At present 7,000 people are employed in the Irish meat industry.

Similarly, in milk production, an increase in milk price to 3/9 per gallon or more will lead to a considerable expansion in Irish milk output. Judging by the expansion that took place in Ireland during the period 1960-1969 a growth of 50 million gallons per annum could be expected. This would mean a doubling of throughput in the Irish milk processing industry over a ten year period. Processing trends are also likely to move away from butter into more labour intensive products. At present 5,000 people are employed in the milk processing industry. With increased throughput and greater sophistication, an increase of up to 20,000 jobs in the food processing industry could be envisaged.

If Ireland remains outside the Common Market, the trends will be in the opposite direction. For example, if we were to adopt one proposal which has been put forward — i.e. to produce only young feeder cattle for export — employment in beef factories would practically disappear.

Irish farming is competitive

Ireland has a considerable competitive advantage over almost every area of Europe in the production of beef, lamb and milk. This advantage arises from the higher yields of grass obtained in Ireland and the fact that Irish grass growth is spread over a long growing season. There is also an advantage in the capital cost of housing since Ireland's winter climate is relatively mild.

In terms of yield, Irish grassland under good commercial conditions will produce about 12,000 lb. of highly digestible dry matter per acre. This yield is obtained in a growing season that extends from late March until mid November or later without a serious summer set back in production. These growing conditions do not obtain through most of the E.E.C.

In general, winters are longer, grass output is lower and a summer drought is general with the exception of the north-western coastline of the E.E.C. area.

Feed produced from well manured commercial pasture in Ireland costs about £6 per ton of barley equivalent. On the European mainland this cheap food must be replaced by grain costing about £40 per ton (at E.E.C. prices), to a far greater extent than is necessary in Ireland.

Irish farmers also have an advantage as far as housing costs are concerned.

In Ireland, dairy cows and bullocks can be wintered in kennels or topless cubicles at a cost as low as £10 to £20 per head. Throughout the E.E.C. at present housing costs for dairy cows or pure beef cattle run from £150 to £250 per head.

Ireland's competitive advantage in feeding costs and capital costs means that any commodity price that is acceptable to European farmers will give a far higher level of profit to Irish farmers. A recent German film showed that production costs per gallon of milk in this country were only 50% of the corresponding costs in Southern Germany. For any level of milk prices, therefore, net income per gallon would be much higher in this country than in Germany, or indeed in other areas of the E.E.C.

The technical performance of leading Irish farmers matches the best to be found in Europe. A levelling-up of standards of efficiency among Irish farmers would result in considerable incentive to such a development of efficiency.

Farm production costs

Opponents of EEC entry claim that farm production costs will increase substantially as a result of entry. This is untrue.

The main cost increase would come in relation to fertilizers, as a result of cessation of the present subsidy on phosphatic and potassic fertilizers. With the present level and pattern of fertilizer use, total expenditure on fertilizers would increase by about £5.7 million, or 25%. The addition to total farm costs under this head would be less than 4%.

Labour costs would tend to increase since (a) with higher produce prices, there might be greater competition for scarce agricultural labour, and (b) wage rates in other sectors (which affect wage rates paid by farmers) can be expected to increase.

Prices of young stock in all categories can be expected to increase with final product prices, but the generally higher levels will leave increased margins for farmers, particularly in view of our low production costs. Machinery costs should tend to be reduced.

It is clear that the increase in returns to farmers will much more than offset cost increase.

In the twelve months up to mid-November, 1970 the consumer price index increased by 10%. In the same period, the index of the food group of prices increased by 8%. In comparison with these trends, the extra impact of E.E.C. entry on the consumer would be very small indeed.

In addition, the Exchequer would show a net gain in the financing of the agricultural policy, by comparison with its present outlay on price supports. The resulting savings could be used to improve social welfare payments or lower taxes, thus compensating, at least in part, for higher food prices.

FARM STRUCTURES

In Ireland at present the low incomes of small farmers constitute the most serious of our agricultural problems. Recent figures published by the Agricultural Institute showed that the average family farm income from farms of 30 acres and under was less than £300 per annum, while that from farms of from 30 to 50 acres was under £600.

E.E.C. farm prices will increase these incomes considerably, but the attraction of better living conditions in industrial areas is likely to remain.

On the Continent, as in Ireland, low living standards on small farms have caused large numbers of people, particularly young people, to leave the land in order to find more profitable and less demanding careers in industry or services. This movement of people was haphazard and often involved much hardship and distress. The people who moved off the land had no training for other careers and no help in adapting to a new way of life. Those who remained behind tended to be the old and the least ambitious — and often the least well-equipped to take up the challenging task of making a living from farming. Many rural communities both on the Continent and in Ireland now have few young people or families left.

It has for long been recognised both here and on the Continent that if the total collapse of the rural community over large areas was to be avoided, positive action would have to be taken to reverse these trends. That would involve making it possible for larger numbers of young men with families to remain in farming and get from it an income and standard of living comparable to that available to young ambitious people in other vocations. At the same time those who wish to leave farming, either because of age or incapacity or through preference for other work, should be helped to do so with the minimum of distress and to continue living, if possible, within their own communities. In Ireland policies along these lines have been proposed by expert sources such as the Agricultural Institute and the N.F.A., and by the opposition parties.

On the Continent, a comprehensive programme to deal with the problem, known as the Mansholt plan is now being considered by the E.E.C.

What Mansholt is really about

Dr. Mansholt begins by recognizing that for many years past the numbers of people on the land have been falling rapidly, either through farmers dying without successors, or, people moving to other occupations. Within the E.E.C. the farm population has fallen from 20m. to 10m. between 1950 and 1970. Even so, farms are still smaller on average than they are in Ireland and living standards for many farmers are unacceptably low. Prices for farm products within the EEC are about as high as the consumer can reasonably be asked to pay. Farmers' income can, therefore, only increase if their enterprises are substantially enlarged.

We face the same position in Ireland where the total number of males engaged in farm work has declined from 383,000 in 1960 to 291,000 in 1970. This is an annual decrease of over 9,000 per year. This decline is still made up principally of people leaving the land and in most cases emigrating, although an increasing element is due to the death of farmers who have no successors. For example, 17.5% of the people in the 20 to 29 years age group in agricultural occupations in 1961 had left farming by 1966. In this five-year period, the movement of these people off the land accounted for almost 18% of the decline in the numbers of people on the land.

This process will continue until the incomes and living standards of people on the land get close enough to those of the rest of the community to induce young people with families to make farming their career. This is the key to Mansholt's proposals. He is suggesting that instead of leaving things to sort themselves out in the present haphazard way with all that this means in terms of decay of rural communities and intense hardship to individuals, there should be a programme to make sure that those who are remaining on the land have enough acreage and enough capital to make a good living, and that those who want to retire from farming get either a reasonable pension or proper training for other occupations.

Two points need to be made at once about these proposals:

(1) There is no question of forcing anybody out of farming or off the land. The small farmer, no matter how "non-viable", will receive the full EEC prices for his products. He will be quite free to continue farming for as long as he wishes. The effect of the Mansholt plan would be to make available alternatives if he wanted them — alternatives which he does not now have.

(2) It is no part of Mansholt thinking to move people from their homes when they give up farming. On the contrary, a key part of the plan is the creation of new industrial jobs in rural areas by special investment programmes. Farmers who accepted pensions to retire would retain their houses.

What precisely are the Mansholt proposals and how could they in practice affect a typical Irish farmer? Mansholt proposes to make four choices possible.

(I) A farmer could develop his farm with grants so that it gives an acceptable living to him and his family. An acceptable living is calculated at present as an earned income of about £1,700 per man employed on the farm. To develop his farm, capital would be available at a nominal interest rate and there would be other aids and incentives. To qualify for these aids the farmer would have to draw up a six-year development plan showing how he proposed to reach the necessary income level.

(II) A farmer could accept special training to leave farming and take up other work in his locality (or elsewhere if he wished). To make this possible it is proposed to provide special funds to create industrial and other non-farm employment in rural areas. The objective would be to have alternative employment available to everybody within "not more than an hour's drive by car from his home". For those who wish to move to other areas there would be help with the cost of moving and relocating. While the EEC would provide funds generously for this part of the programme, the responsibility for implementing it would rest with the national Government. This makes it urgent for the Irish Government to develop an effective regional policy.

(III) If the farmer was aged over 55 he could accept a special pension in return for giving up farming (proposed minimum £400 per year). In addition he could either sell his land or lease it. He would be free to retain his house. A 30 acre farmer earning at present £250 per year might under this scheme retire from farming, continue to live in his house and enjoy an income of nearly £1,000 a year.

(IV) He could continue living and farming exactly as he does now. In this case his income might increase by up to 50% because of the higher EEC prices for his products.

Redistributing land

Under the Mansholt proposals the land made available by farmers taking up other occupations or retiring would be used to enlarge the farms of those remaining in farming. A condition of benefiting from the retraining and retirement schemes would be that the farmer's land was put at the disposal of the "structural programme". This programme would be drawn up by national Governments to meet the special problems of each country but within the general framework and objectives laid down by the EEC.

The actual running of the programme would be largely in the hands of local committees consisting of farmers' representatives and expert advisors. All land becoming available to the programme would be at the disposal of these committees. It would be their responsibility to prepare a development programme for their area including priorities for the allocation of available land. In this way all land which became available under the programme would be used for the strengthening of farmers in the area. The buying up of such land by speculators either from within or outside Ireland would not be possible.

There is a strong possibility that the Mansholt Plan in its entirety will not, in fact, be adopted by the EEC.

On the other hand, national rural structural reform programmes are already under way in France, the Netherlands and Germany. They all follow the Mansholt pattern of consolidation of very small farms, pensions for older farmers and specialized training for young farmers in industrial skills.

It is likely that, should Ireland become a member of the EEC, we would be free to tailor a national policy of rural structural reform to take account of the particular problems found in this country. The appalling age structure on Irish farms is one of the circumstances which would have to be borne in mind. In Connaught, for instance, 30% of farmers are aged over 65 years, 32% are single, 13% are over 55 and single, and thus have no apparent successors.

Land purchase

The Rome Treaty aims to give people the right to work or set up in business in any member country. Farming will eventually come under this rule. Some people are alarmed by the prospect of foreigners buying up Irish farms if we join.

Foreign farmers may buy land under certain conditions in the EEC.

(1) If the land has been totally un-used for two years; or

(2) If the purchaser has worked as a farm hand or tenant for two years in the country; and

(3) If the normal law of the country is observed.

There is hardly any land actually unfarmed in Ireland. The kind of buyers feared are not the type to spend two years at farm work in Ireland before making a purchase. The ordinary law of each country restricts land purchase. The present EEC countries have probably better defences against land purchase by foreigners than Ireland has now. For example, in Germany the local agricultural council must approve all purchases (whether by foreigners or not) to make sure that the land will be put to the best use. The Irish Land

Commission could still buy land for resettlement.

It has already been pointed out that the likelihood is that each member state of the EEC will have the responsibility of implementing its own rural structural reform programme. If the pattern followed is that outlined above as part of the Mansholt proposals (and actually found in Germany), there would be no difficulty in preventing the purchase of farmland by either native or foreign speculators.

Land is now cheaper in Ireland than in countries where farm produce has been dearer and, consequently, farming more profitable. Because of our long period of low prices capital is scarce for Irish farmers and long-term loans for land purchase are hardly ever available. During the transition period of five years Irish farmers will know the value of land — if they do not already. Not much will be for sale. We must, however, make sure that credit facilities are available for land purchase and are as good as in other countries.

THE ALTERNATIVES

If we do not join E.E.C. there are three possibilities:

(a) neither Ireland nor the U.K. become member states;

(b) the U.K. becomes a member, but Ireland does not: (this situation could arise only as a result of a deliberate choice on this country's part to remain outside the E.E.C);

(c) association or other special trade agreement with an enlarged EEC giving Ireland access to the E.E.C. market for some agricultural exports.

(i) IRELAND AND U.K. REMAIN OUT:

At best there would be a continuation of the present framework of agricultural trade for this country — i.e. quantitative restrictions on exports of major agricultural products to the U.K. Consequently all increases in production would have to be sold on world markets. Even in the most optimistic view, the prices are worse than the current unsatisfactory level of returns from the U.K. market. Access to EEC markets for beef and lamb would continue to be erratic, and to depend on the functioning of a market system over which we would have no control. E.E.C. markets for dairy produce and pigmeat would continue effectively to be closed against us. The impossibility of favourable export to this area is shown in Table 1.

The level of protection for grain is now less than that shown above, because with increases in world grain prices, the necessity for protection has been reduced.

Possibilities of exporting temperate food products to Eastern European countries also appear limited, particularly since this area is now competing with us in supplying beef, pigmeat and dairy products to Western European markets.

TABLE 1: E.E.C. LEVEL OF PROTECTION 1967

	Entry Price	Levy & Duties	World Price	Level of Protection
	$ per ton	$ per ton	$ per ton	%
Soft Wheat	107	949	58	58
Durum Sheat	126	80	80	99
Barley	90	34	56	60
Maize	90	34	56	60

White Sugar	223	172	51	338
Beef live	680	292	388	75
Pork live	567	181	181	47*
Poultry dead	723	310	550	56*
Eggs	511	247	387	48*
Butter	1,874	1,363	472	288

(Source: EEC CoM (68) 1000 D Table 76)

* Including compensation for fodder price. Net of compensation element, the protection level is about 30%.

If neither the U.K. nor Ireland join the EEC, then the above represents the best result which could be expected.

A more realistic view would have to take account of the stated intention of the British Government to reduce dependence on imported foodstuffs, raising the price of food on the internal market, and applying an import levy system (similar to that applied by the E.E.C.) to products other than already-regulated dairy products and bacon.

The full application of this type of system would entail a deterioration in our trading position in our most important export market, when we have very limited opportunities for diversification. Should the levy be applied to Irish beef we would again face price discrimination against our food processing factories, endangering Irish employment.

Theoretically, Ireland can now sell all its dairy produce in the E.E.C. countries, but the existence of a Border levy on butter, now in the region of £683 per ton effectively permits only a net return of £115 per ton. This in effect has stopped virtually all exports to the Six whereas in 1962 we exported 3,000 tons to them.

Reference has sometimes been made to the possibilities of developing outlets in the Far East, particularly in Japan. In essence, the validity of this argument rests on our ability to compete with New Zealand and Australia in supplying any increase in effective demand for food imports in this area. Given the vast difference in transport costs, the small quantities of temperate food products (other than grains) currently imported by countries in this area, and their expressed intention of becoming self-sufficient in food production, it would appear unduly optimistic to expect any substantial gains from exports to this area.

New Zealand, like Ireland, finds that these markets yield lower prices than exports to the U.K.

It must be remembered that the U.S.A. is already on strict quota as far as beef and dairy products are concerned.*

Japan similarly limits access and is striving with remarkable success for self-sufficiency.

The New Zealand Monetary and Economic Council Report on "New Zealand and an Enlarged E.E.C." (June 1970) gives figures showing present markets for dairy produce outside Europe.

TABLE 2:

Total imports of Butter and Cheese in main world markets, 1967 and 1968.

(thousand tons)

	Butter*		Cheese*	
	1967	1968	1967	1968
U.K.+	453.2	439.4	156.6	177.5

Central America and Caribbean	7.5	12.8	9.0	10.6
South America	16.0	27.8	3.1	4.9
Asia (excl. Japan)	32.5	41.5	16.1	19.2
Japan	16.6	0.6	24.5	24.2
U.S.A.	4.4	4.6	63.6	69.2
Canada	3.1	1.8	8.3	10.3
TOTAL	533.3	528.5	281.2	315.9
U.K. as % of total	85.0	83.1	55.7	56.2
Asia (incl.Japan) as % of total	9.2	8.0	14.4	13.7

* Incl. Butter Equivalent of Butter Oil.
+ Excl. butter oil.

SOURCE: "New Zealand and an Enlarged EEC"; Meat & Dairy Produce Bulletin (Commonwealth Secretariat, London) February 1970.

(ii) U.K. BECOMES EEC MEMBER; IRELAND REMAINS OUT:

This situation would raise even more difficulties than the first. The considerations set out above in relation to markets other than the U.K. remain unchanged.

In the U.K., the main market, the situation would be fundamentally changed. Our exports of beef, dairy produce, lamb and pigmeat would face the barriers now found in EEC. For example, if it were still possible to sell butter to the U.K. f.o.b. prices would fall to about £115 per ton. As can be seen from Table 1 EEC regulations involved protection of 47% to 338% in 1967. This would be worse than the Economic War.

It has been suggested that the U.K. would need our dairy produce and beef so urgently that a special arrangement could be made to cover Irish exports of these commodities to the U.K. The question of a special arrangement of this kind is dealt with in more detail below. The following considerations will suffice at this point.

In 1969, Irish supplies accounted for the following proportions of consumption of major agricultural products on the U.K. market:

Butter: slightly under 5%
Cheese: slightly over 6%
Pigmeat: slightly over 3%
Mutton and lamb: slightly under 1%
Beef and veal: slightly over 7%
Given the likely increases in domestic U.K. production of these commodities at EEC price levels, and the availability of supplies of dairy produce and pigmeat from the existing member states, it is clear that the urgency of demand for Irish products would not justify a special trading arrangement for these products. The only possibility of export which might be expected to remain (and this for a limited period only) would be in relation to live feeder cattle.

It cannot be envisaged that an expansion in this trade would make up in quantity or export value for loss of the beef trade: it certainly could not replace employment in our beef processing plants. The U.K.'s record as a trading partner with this country is not such as to inspire confidence in the security offered by any special arrangement.

A proposed alternative, in terms of supplying a large quantity of live feeder cattle to the EEC is dealt with in Appendix I to this document. It has also been suggested that we might buy feed grains at world market prices, use them in pig and poultry production, and export pig and poultry meat to the EEC. This would have serious implications for the Irish tillage sector, if we were to remain outside the EEC.

Apart from that, however, this proposal fails to recognise the fact that the EEC levy system, as it applies to pig and poultry meat, is specifically designed to eliminate the possibility of exporting to the E.E.C. on this basis, the levy being automatically raised to compensate for lower world grain prices.

The Danish experience in attempting to hold their traditional markets in EEC, together with our own experience in trading with the EEC, illustrates what we may expect.

TABLE 3: Irish Agricultural Exports to E.E.C. (£ million)

	1958	1969	
Live cattle		1.1	0.2
Beef and veal		1.6	0.6

TABLE 4: Danish Agricultural Exports to E.E.C. (£ million)

	1958	1968	
Livestock		22.0	12.5
Poultry	3.2	1.1	
Eggs	17.0	0.7	

Apart from the price discrimination we would be in the intolerable situation of the marginal supplier — granted access when domestic supplies are short, totally excluded when supplies increase. Ireland has experienced this in lamb exports to France. We would, by remaining outside EEC on Britain's entry, apply this uncertainty to all our trade without having any alternative market.

(iii) AN ASSOCIATION AGREEMENT, OR SPECIAL ARRANGEMENT

The EEC currently has Association agreements with two Western countries — Greece and Turkey. The Agreement with Greece is in abeyance owing to political developments within that country.

Experience with Association agreements of this kind has been unsatisfactory both from the Community's point of view, and from that of the third countries concerned. For the Associate, the situation is unsatisfactory because the Associate is affected by decisions within the Community, over which it has no control. From the point of view of the Community, it is unsatisfactory since the Associate state derives some benefit from Community policies, without contributing to the financing of Community action.

Representatives of the Community have recently made clear to Sweden that she could not hope to benefit from participation in EEC policies without also participating fully in the decision-making process as a member of the Community. Advocates of an association agreement with EEC who visited Brussels recently, have returned convinced that a satisfactory arrangement of this type is not on offer.

A special trading arrangement would necessarily be limited to a small range of products. Since the EEC is a deficit area in beef production, a trading arrangement (if it could be secured) would probably give us access to the EEC market for a limited quantity of beef, perhaps with reduced or zero tariffs or levies. We would then have to give reciprocal advantages to EEC industrial exports to this country. The total degree of our participation in the EEC agricultural policy (and hence the benefit to the Irish economy) would necessarily be limited.

"The prospects for our main agricultural products if Ireland joins the EEC"

Dairying

Between 1960 and 1969, production of milk for manufacturing in Ireland rose from 281 million gallons to

521 million gallons. In 1969, some 225 million gallons were exported to the U.K. in the form of butter, cheese and other milk products. A further 120 million gallons were exported to other markets. Thus 66% of our creamery milk production was exported.

Returns from the U.K. market, while they have not been sufficient to give the producer an acceptable price for his milk, even when supplemented by Exchequer subsidies, have nevertheless been better than those from other markets. It is not possible, under present circumstances, to improve returns substantially by diverting dairy produce exports to the U.K. market, since our exports of butter to this market are restricted by quota, and there is a "voluntary restriction" on the level of our cheese exports to the U.K.

Variations in the amounts of these products which we can export to the U.K. are determined by the British Government, and do not necessarily take any account of the interests of Irish producers. Thus, under present conditions, extra output would have to be placed on low-price markets elsewhere at considerable cost to both the Exchequer and the producer. In 1969, for instance, exports to the U.K. proved relatively economic at a subsidy rate of approximately 6.4d. per gallon.

In the case of other markets, the subsidy involved was nearly twice as high, at 11.3d. per gallon. There is some scope for expansion of domestic consumption, but even the most optimistic view of this would not imply a substantial increase either in over-all production to meet extra demand, or in total returns to the producer.

Between 1960 and 1969, cow numbers in this country rose from 1,284,000 to 1,657,000. This increase in numbers was in response to:-

(a) a gradual increase in the average price secured by creamery milk producers during the period (rising from 19.4d. per gallon in 1960 to 25.5d. per gallon in 1969).

(b) A gradual increase in cattle prices over the period (in the order of 40%) which naturally had its effect on the price paid to milk producers for calves surplus to their replacement requirements.

(c) The operation between 1964 and 1969 of the Calved Heifer Scheme and

(d) the fact that gross margins per acre from creamery milk production tended to be higher than the margins obtainable in other enterprises.
In spite of these improvements, Irish prices both for milk and for beef are among the lowest among the "Ten". As far as milk is concerned, the present export marketing situation does not hold out great hopes of improvement in producers' returns in the foreseeable future.

If present circumstances were to persist, opportunities of increasing incomes from dairying would be limited by the quota arrangements on the U.K. market, and by competition on world markets with highly-subsidized produce from other countries.

E.E.C. membership would bring about a fundamental change in our situation. In the first place, producer prices would increase enormously. In 1968/69 prices received by milk producers ranged from 3/3 per gallon in Belgium (with a butterfat content of 3.3%) to 4/1 in Italy (1968 average price; butterfat content 3.5%). The average price received by Irish producers in 1968 for 3.5% milk was 2/4 (including skim). Irish milk prices showed a slight decline in 1969.

There has been a certain amount of misleading comment, based on the existence of surpluses of butter and skim milk powder within the present EEC area. The argument has been made that, since these surpluses exist

(a) milk prices will inevitably be forced down, and/or

(b) the amounts of milk produce which we can expect to sell abroad as a member state of an expanded EEC

would be limited.
Both of these views are erroneous. The facts of the situation are as follows.

At December 31, 1969, butter stocks in the EEC stood at 302,000 tons. There had been a net increase of 3,000 tons in stocks during the year. 1,101,000 tons were sold at normal consumer prices during that year. A further 92,000 tons were sold at reduced prices within the Community for manufacturing purposes and for welfare programmes. Finally, 120,000 tons were exported. The total addition to stocks in 1969 amounted to less than 1% of consumption at normal consumer prices.

Last summer, the EEC Commission estimated that stocks would be reduced to 242,000 tons by the end of 1970. At this time, it appears that total production of butter could be some 90,000 tons less than was previously estimated so that butter stocks at the end of 1970 could be down to normal carry-over levels.

As far as marketing is concerned, the situation is as follows. The target price for milk is derived from the intervention prices for butter, skim milk powder and certain types of cheese. These products are supported at a level which will allow manufacturers to pay approximately the target price to milk producers. Intervention agencies take up any quantities of butter or other supported products which cannot be sold on the EEC market at satisfactory prices.

The intervention price, which is designed to maintain the target price for milk, therefore acts as a fall-back guarantee for producers. The market within the Community is completely free, and a considerable premium over the intervention price level can be earned by efficient marketing of quality products. Effectively the market is guaranteed, at the intervention price level at least, for any quantities produced.

It has been said that, if this country becomes a member of the E.E.C., we will be adversely affected by the cow slaughter scheme currently in force. This again is a misunderstanding. This scheme was initially designed to cut milk production in marginal herds of less than five cows. A subsidy of approximately £83 was paid for each dairy cow slaughtered, on condition that the herd-owner undertook to give up milk production.

Alternatively, a similar subsidy was paid in respect of cows which were withdrawn from commercial milk production, their milk being retained on the farm and used for livestock feeding. In 1969/70 250,000 cows were slaughtered, and a further 250,000 cows were withdrawn from milk production. The scheme is being continued in a modified form for 1970/71, and now applies to larger herds, on condition that the herd-owner must undertake to cease milk production for five years. Current expectations are that 290,000 cows will be slaughtered, and 130,000 withdrawn from milk production.

Participation in the scheme is entirely voluntary, and depends on the herd-owner's own estimation of the value of the subsidies and alternative opportunities, compared to the returns from milk production.

To the extent that it reduces the cow herd and milk production in the Six, it will provide us with an even greater opportunity to sell our dairy products above intervention price levels, and to secure a market for our beef, once Ireland becomes an EEC member. This would particularly be the case, since Ireland would account for a very small proportion of milk output in the "Ten".

All of these elements of EEC policy must be viewed in the context of the fact that milk production costs in this country are, and will continue to be, lower than in the present Six. Given this cost advantage, higher prices and vastly expanded market access, the opportunities for profitable expansion of milk production will be such as have never before been experienced by Irish farmers. These opportunities will be available to all Irish milk producers.

The prospect of substantial benefits from EEC membership is therefore quite clear. It is equally clear that the magnitude of the benefits will depend on our own efficiency in the production, processing and marketing of our dairy products. The more effective the marketing effort, and the more efficient the manufacturing, the higher will be the price paid to the producer. The more efficient the producer, the greater will be his net income.

Thus, EEC membership in no way invalidates the case for creamery rationalization, or for the promotion of on-farm efficiency. The opportunity of realizing premium prices makes rationalization even more urgent. The extra benefits obtainable from effective marketing are sufficient to justify a concerted effort to bring about whatever improvements may be shown to be necessary.

To sum up, EEC membership offers the Irish milk producer:

(i) substantially higher prices (with a reduced burden on the Irish taxpayer);
(ii) guaranteed markets;
(iii) the opportunity, for the first time, to exploit fully the natural advantages of Irish land for intensive milk production.
Finally, an increased level of milk production in response to these prices and market opportunities would open up the possibility of increased employment in the milk processing industry.

Beef

It is clear that there is a greater unsatisfied demand for beef in Europe, than for any other commodity; and it is the one which we are best equipped to produce, at the lowest cost.

The market is expanding with a rise in affluence; the price is growing faster than that of any other commodity. At the same time, the capacity of the Six to produce beef is declining, and will tend to do so further if the cow slaughter policy continues. The demand for veal absorbs great numbers of calves.

In Europe, the farm systems of beef production do not compare with those which have been developed in the last decade in Ireland. On modern Irish silage-based beef farms, there has been tremendous technical advance in this period. The processing of the end product in the leading Irish meat factories is highly efficient; the standards of many have already reached E.E.C. accepted standards. These factories already employ about 8,000 people.

We are thus poised to take advantage of this great market, from which at present we are virtually excluded by E.E.C. barriers. The E.E.C. beef prices are more than 50% above our levels. The target price in 1970 is 288/- per cwt. l.w. and for example mid-1969 prices for first-grade animals ran from 324/6 per cwt. liveweight in France to 354/- in Italy; the price for the equivalent article in Ireland was 195/6.

Taking the lower EEC level and allowing 20/- per cwt. for transport, this leaves a margin of 110/-. On a 10 cwt. animal this would have meant to the Irish producer a rise of £55 per head. This would mean a dramatic increase in the incomes of all farmers producing beef cattle, whether these farms are large or small. It would also mean important extra income for the dairy farmer with beef calves for sale, and for all farmers producing young cattle for the beef industry. Recent official studies on farm structure show that most farmers depend largely on livestock for their income.

This large increase in beef prices will not only benefit the individual farmer, but will make a major contribution to the national economy. Last year our exports of cattle and beef, mainly to Britain, were worth approximately £86 million. At E.E.C. prices, these would have brought in approximately £50 more — an increase in our exports greater than the total achieved in 1969 over industry and agriculture combined, and one which would be achieved without any addition to our bill for raw materials. And it is money which would go largely to rural communities which most need greater income.

At these prices it will pay farmers to intensify production, to invest in new buildings and equipment, to improve their land, and to increase their demands on local services and merchants. To suggest that higher prices for beef will mean less intensive production and fewer people on beef farms is ludicrous to anyone in touch with modern Irish farming. Low intensity "ranching" is the response to low returns; high prices will lead all progressive farmers to farm at a high level — as has always been the case. Valuable land, with the opportunities for intensive production, will not be left unused.

A final effect on the cattle industry could be a reduction in the store trade to Britain, at the same time as the carcase trade greatly expands. Some £8 is at present lost to the economy, with every live beast exported — due to the loss of by-products (which also give factory employment). It is sometimes suggested that our cattle are not suitable for E.E.C. trade. On this:-

A high proportion of our exports would continue to go to Britain;

Our heavy Friesian cattle are already acceptable for beef in Europe.

Our cattle of continental breeds are expanding in numbers yearly, and this would be stimulated by E.E.C. entry.

To sum up; an immense opportunity in the E.E.C. awaits the beef industry, already responsible for nearly one-quarter of our exports, and for which our climate, soil, agricultural tradition, and modern technical development are pre-eminently suited.

Sheep

While the Irish sheep industry is not on the same scale as the dairy or beef industries, it is vital in many areas, and there are great opportunities for expansion in the E.E.C.

Prospects for Irish lamb in the Common Market appear excellent. While there is as yet no official Common Market price structure for sheep, the price of mutton and lamb relates to that for beef. Actual prices for lamb within the E.E.C. are at present more than 50% higher than in Britain and Ireland.

We already export lamb to France and Belgium. In 1969, they took some 60% of our lamb exports, worth £21/2 million. The rest went to Britain. From the producer's point of view, the present situation is most unsatisfactory. Prices here are largely determined by whether or not the Paris market is open to Irish exports. This is not easily predictable, being determined by short term fluctuations in French lamb prices (imports from Ireland being permitted when French prices rise to a certain level.)

When our exports are permitted, they face a duty of 20% and a levy ranging from 8d. to 16d. per lb. according to season. This means that a lamb for which the Irish producer received £9 would sell on the Paris market for £14–£15. The Irish producer thus faces a severe handicap, even when allowed to sell into the E.E.C. market. Security, an essential condition for development, does not exist, and cannot exist while we remain outside the E.E.C.

Present sheep production in Europe is on a limited scale. Lamb is a luxury article, but with rising standards of living, there is a strong potential market, principally in France and Belgium. The position of New Zealand is an uncertain factor; even at present we can sell more fresh lamb, and if the New Zealand exports of chilled lamb are reduced in the future, when British membership is complete, this will give us increased scope.

The French are the chief E.E.C. sheep producers; their flock is only growing slowly, since cereal production has become more attractive. The opportunities for Irish sheep production could therefore be outstanding. It is important to remember that sheep production can be expanded quickly, and at a relatively low capital cost.

In particular, the effect on sheep farming in the difficult traditional sheep areas of hill and mountain and on the light lands in the West, could be dramatic. With a price of lamb nearly double the present, and with the relatively low capital demands of sheep, there would be great scope for expansion in these areas, where sheep farmers are at present facing a very difficult income position. Thus, while a most encouraging future can be seen for sheep farming if we enter the E.E.C. the future appears very limited if we do not.

Tillage

(a) Cereals: Prices received by barley producers in the EEC are considerably higher than those received by Irish producers. In 1968/69, they ranged from £34 per ton in France to over £40 per ton in Italy, compared to £24 per ton in Ireland. It is expected that when Ireland becomes a member, the intervention price for this country would be in the region of £31 per ton. Assuming that the price here was no higher than the intervention price (an assumption which might not be justified, since this country might remain a deficit area), there would then be an increase of some 29% in the price received by Irish producers.

Wheat prices in the EEC are higher than those in this country. It is expected that the intervention price for wheat in this country would be in the region of £36 per ton, compared to a present average price of about £34 per ton. It could reasonably be assumed that the price here would remain at or about the intervention level. At this level, the price increase to Irish wheat producers would be less than 7%.

It must be remembered, however, that the EEC price relates to winter wheat, which is a better product for Irish farms than the spring wheat we now grow. Furthermore, the price relates to dried wheat, unlike the Irish Wheat Order. Application of EEC rules and prices could then be expected to encourage a shift to winter wheat production, and to more widespread farm drying of wheat. Overall, it appears that there would be some substitution of barley production for wheat production.

Conclusions on Cereals: The general conclusion is that cereal production would continue on its present scale in this country under EEC membership conditions. Our yields are generally higher than those obtained in the Six, so that a given level of prices should cause a greater production in this country than elsewhere. The balance as between wheat and barley could be expected to shift towards barley.

These conclusions are borne out by a recent study carried out in U.C.D. (Farmers' Production Response to Prospective EEC Conditions — Sheehy and McInerney v.esp. p.19).

(b) Sugar Beet: When account is taken of the fact that beet pulp is returned free of charge to EEC producers, the EEC price (for amounts within the basic quota) is similar to the current Irish price.

The present quota control arrangement governing EEC sugar production is due to terminate in 1975, after which there will apparently be a free market. The attractiveness of sugar beet production to the Irish producer at that stage would depend to a large extent on the level at which the intervention price might be fixed — and we will have a say in determining the level of that price if membership negotiations proceed in accordance with the targets now widely being mentioned, i.e. completion by 1973.

In short term, it appears that sugar beet production will remain an attractive proposition, with gross margins which would compare favourably even with those which could be derived from beef or milk production at current EEC prices. This conclusion also was borne out in the study referred to above.

Pigs

In the last five years, prices received by EEC pig producers have been consistently above Irish price levels, the margin varying between 8% and 50%. EEC basic pig prices and intervention prices are above our present average prices, so that some increase in price to Irish producers could in any case be expected. The actual degree of the price increase will, however, depend on the effectiveness of export marketing in the first instance, and on developments in domestic consumer demand for pigmeat in the second.

It has been pointed out above that barley prices could increase by about 29% or perhaps more. Such a price increase would increase feed prices by about 18% to 20%, if we continue to use the same kind of feed as is currently used. On balance, this would approximately maintain current margins in pig production. It might, however, be possible to use alternative feed formulations, which would show a significantly smaller increase in price over present levels. This course is followed by Dutch producers, whose margins are now about £7 per pig.

Since pig production does not compete directly for land with other forms of livestock production, there is no reason to expect that the level of pig production would suffer from substitution of other forms of livestock production.

The situation on the U.K. bacon market would be modified to some extent. On the one hand, British pig producers will no longer be restricted by the present market sharing arrangements. On the other hand, Danish producers might turn more of their attention to former markets within the Six, while some Eastern European competition would be eliminated. This is not to say that marketing of Irish bacon in the U.K. would become any easier, but the total share of the market for which we could compete would be unlimited. A factor of crucial importance will be the improvement of the structure of the pigmeat processing industry.

Fruit and Vegetables

Irish producers of soft fruit and dessert apples would have to face open competition under EEC membership conditions.

Irish fruit pulp exports to the U.K. would no longer benefit from the preference conferred by U.K. import duties on EEC products. However, it appears to us that specialist fruit growers in this country will be able to compete successfully. This is particularly true in the case of soft fruit producers. EEC prices for soft fruits are currently higher than Irish prices.

The quality of Irish apples is high, and they are well suited to consumer taste. Specialist growers should be able to develop packing and marketing facilities which would enable them to retain their hold on local markets. Furthermore, transport costs from competing EEC areas would provide an element of natural protection, and dumping of ungraded fruit on the Irish market would be prohibited under EEC rules.

As far as fresh vegetables exports to the U.K. are concerned, we should be able to retain our existing markets, if we can comply with the grading regulations governing trade in fruit and vegetables between EEC member states. If our products do not comply with these regulations, the home market would be open to competition from other EEC sources, and we would be unable to export our own produce.

The recent C.I.P. report on the Fruit and Vegetable Processing Industry indicated that, because of their small size many of the firms in the industry would be extremely vulnerable under free trade conditions. It seems likely, however, that processing outlets for the bulk of domestic production of field vegetables should continue to be available.

It may be profitable for some existing growers to change their pattern of production. Thus, it would be unwise to be unduly influenced by prospective difficulties for any one product.

SUMMARY

From the facts given in this Pamphlet, it must be clear to any reasonable reader that there is a great opportunity for Irish agriculture in the E.E.C.

The Irish farmer has long been the supplier of a limited market on unfavourable terms. At last he has a different prospect, a free market for his main products on excellent terms.

The effect of this could be dramatic; a rise in the living standards of all farmers; social changes for the better in rural life; a great injection of cash into rural areas; an important gain for the economy from our main resource — agriculture.

It is hard to see any bright future for the Irish farmer outside the E.E.C. Certainly, none of the so-called "alternatives" withstands rational examination. Many of those who claim to speak for the Irish farmer against the E.E.C. appear to do so without grasp of reality, human or economic. But, if we enter the EEC the fulfilment of these opportunities depends on:

Efficient negotiation of terms by our Government;

Effective national regional planning;

Raising of standards of productive efficiency on all farms, to the level which progressive farmers have already set.

Rationalization of processing plants, whether farmer or privately owned; and as in the case of the individual farmer, the raising of standards to those of the best now in operation;

Efficient marketing of our produce. The pioneers have shown the way; much more can, and needs to be done.

In 1955, the U.S.A. obtained a waiver from G.A.T.T. rules to allow it to impose quotas on agricultural products such us butter. In 1964, legislation for beef quotas was passed. Though not yet invoked, these powers are used to enforce "voluntary" quotas.