

2 - The Situation in the European Community

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Introduction

The European Community comprises Belgium, Denmark, France, Germany, Greece, Italy, Luxemburg, the Netherlands, Republic of Ireland, Portugal, Spain and U.K.

Not all current member states were members of the Community when it began. Moreover several were not members when the regime involving oilseed rape began.

The EC was, and still is, a major importer of oils and proteins and despite the introduction and expansion of oil and protein crop production in the Community, it is still only 1/5 self-sufficient in animal feed cakes and 1/2 to 2/3 self-sufficient in vegetable oils overall.

The EC Oilseeds Regime

Initial regulations were adopted by the European Council in 1966.

It should be noted that there was no objective intention of total self-sufficiency although clearly external factors, for example, the U.S. soya embargo of 1973/74, had an impact in determining reasonable security of supply.

EC Rapeseed Production

Since the EC Oilseed Regime began, there have been a number of geographical changes within the organisation culminating in the current EC 12 (incl. DDR). These coupled with increased production per unit area in the original EC member states have brought rapeseed production to a projected level of approximately 7 million tonnes of seed for 1991 harvest. Development of area, yield and production are shown in Table 1.

Table 1. Rapeseed - EEC 10 and EEC 12. 1976-90 harvest years

EEC 10	Area millions ha	Yield t/ha	Production millions tonnes
1976	0,49	2,05	1,02
1977	0,49	1,91	0,94
1978	0,51	2,40	1,23
1979	0,52	2,31	1,21
1980	0,73	2,73	1,99
1981	0,85	2,33	1,98
1982	0,96	2,54	2,42

EEC 12	Area millions ha	Yield t/ha	Production millions tonnes
1983	1,06	2,37	2,51
1984	1,13	2,77	3,14
1985	1,29	2,90	3,74
1986	1,27	2,91	3,68
1987	1,84	3,21	5,91
1988	1,84	2,83	5,21
1989	1,66	3,01	4,99
1990*	2,13	2,92	6,24

* includes former DDR

Note: Since some countries joined EC during a marketing year, data above are not strictly statistically comparable.

Budgetary Cost Control

With the aid system described below, the cost of aiding production to the extent of production indicated in Table 1 has become high. Hence E.C. introduced a system of stabilisers for the marketing year commencing on 1 July 1988. These were called Maximum Guaranteed Quantity (MGQ). MGQ was conceived primarily as a means of stabilising expansion for at given world market price. In practice, it also led to a stabilisation of area planted in the countries forming EC 10. MGQ affected rapeseed and several other crops. In essence, MGQ guarantees aid per tonne within or up to a preset tonnage limit. If MGQ for rapeseed is exceeded all production receives a price cut of 1/2 % for each 1% excess production ; in the case of rapeseed, MGQ is 4,5 million tonnes seed in EC 10 (excl. DDR). Hence, the reduction in price for 1990

harvest was approximately 15%. It is important to recognise that MGQ is a budgetary and not a production control per se.

Quality Standards for Rapeseed

Rapeseed is currently traded insofar as E.C. Aid is concerned at 9% moisture contents ; 40% oil content and a maximum of 2% admixture by weight.

Additionally, the aspiration and the trend is to the production of low erucic acid and low glucosinolate content rapeseed ('00') for stockfeed consumption. A very small and highly specialist market for high erucic acid rapeseed oil (> 45% oil as erucic acid) exists but is outwith the scope of this paper.

Aid and Premium Payments for "00" Rapeseed

By definition, '00' rapeseed contains less than 5% erucic acid and less than 35 micromoles glucosinolates per gram of seed at 9% m.c.

Erucic acid content is untested except at Intervention. Seed meeting these two criteria receives both aid and a '00' rapeseed premium.

Any rapeseed for human consumption that exceeds 5% erucic acid content receives neither aid nor '00' premium. It is not surprising therefore that erucic acid content is usually well beneath the maximum, almost always being less than 1% of oil.

Any rapeseed that matches the erucic acid standard but exceeds 35 $\mu\text{m}/\text{gm}$ seed glucosinolates at 9% m.c. currently receives aid but does not receive '00' premium. For the 1991/2 marketing year, the '00' premium is set at approximately £10/ tonne seed. This premium has fallen by approximately 50% as '00' production has increased. Initially, EC proposed a 20 $\mu\text{m}/\text{gm}$ seed glucosinolate upper limit and it seems likely that eventually that will be achieved. Presumably thereafter any sample not matching that standard would receive no aid.

Aid, in theory, is calculated by deducting world price for rapeseed from the E.C. Target Price. In reality, a smaller aid is paid. Market prices are supported by these aids and the guarantee, subject to meeting quality standards, of Intervention buying. Intervention Price, which is a "received at Intervention Store price" is calculated from Target Price. Intervention Buying to support rapeseed market prices does not occur to any major extent.

Approximately 95% of the EC rapeseed harvest in 1990 met the 35 μmol glucosinolates/gm seed standard.

Standards for low glucosinolate character

Since the introduction of '00' character, a number of different analytical techniques have been accepted as means of checking quality. For the 1991 marketing year, these are an agreed EC protocol for HPLC as the reference method and XRF as the rapid and indirect indication method for glucosinolates. In reality, if a sample is tested by XRF and found to have an indicated glucosinolate content of less than 30 μm glucosinolates/gm seed at 9% m.c. it is accepted as '00'. Should a sample exceed 30 μm glucosinolates/gm seed on an XRF test, then an HPLC-reference test may be used to give an absolute measurement; samples with greater than 35 $\mu\text{m}/\text{gm}$ receive no '00' premium payment.

The Future

Decisions are not yet announced but the following are options.

i) A move to an area payment for aid seems to be the way in which EC reform proposals will go. An EC reform document of 1 February 1990 refers.

ii) Move to a generic system for '00' eligibility assessment using National Listing/EC Common Cataloguing of varieties.

iii) Progressively move to a much lower limit of glucosinolates.

iv) A new EC proposal to overhaul price support is expected by 31 July 1991 and the Council have pledged to decide upon that by 31 October 1991.