



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

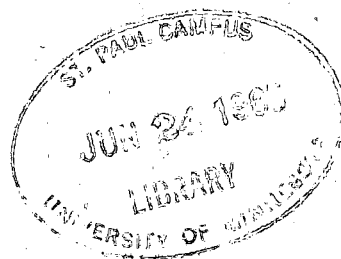
<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

**INTERNATIONAL  
JOURNAL OF  
AGRARIAN AFFAIRS**

Vol. IV, No. 5, April 1965



**Agriculture  
and the  
European  
Common Market**

**IV**

*Produced by the  
University of Oxford Institute of Agrarian Affairs  
in conjunction with the International Association  
of Agricultural Economists*

Price 10s. 6d. net

**OXFORD UNIVERSITY PRESS**  
**LONDON**

By W. H. KEMMERS<sup>1</sup>

## HORTICULTURE IN THE EUROPEAN COMMON MARKET<sup>2</sup>

IN each member country of the Common Market horticulture is mainly geared to selling on the home market. It is estimated that of the total horticultural production in these countries 80 to 90 per cent. is sold in the country of origin. Nevertheless, special attention will be devoted in this study to the international trade in horticultural products, since the economic significance of the Common Market is primarily in the field of international economic relations. Moreover, the study of forces controlling the international trade of a group of commodities can deepen considerably the insight into the economic position of those products even though their destination is mainly the home market.

### I. *The pattern of international trade*

The schedule opposite shows the situation in Western European trade of horticulture produce, according to the most recent data (1962), and what changes have taken place since 1952. Trade relations with Eastern Europe and the other continents have been left out of account.

In trade between EEC countries the exports of Italy to West Germany occupy the leading position. They are made up of 60 per cent. fruit (especially apples, peaches and grapes), nearly 20 per cent. vegetables, 10 per cent. citrus and bananas and 10 per cent. flowers. The great increase of trade since 1952 has been mainly in fruit. The trade in citrus and bananas did not increase; and flower exports date back only to 1952.

Second place is held by exports from Holland to West Germany. This is made up of 60 per cent. vegetables (especially hothouse produce: tomatoes, cucumbers and lettuce), 15 per cent. bulbs, 10 per cent. flowers and 10 per cent. fruit. The expansion since 1952 covered all sectors except fruit.

Small scale French exports to West Germany comprise vegetables,

<sup>1</sup> Dr. Kemmers is a specialist in fruit and vegetables and has therefore put most emphasis in this study on these products rather than on flowers, plants and shrubs.

<sup>2</sup> The author would like to thank Mr. L. G. Collyer for assisting with the translation of this paper.

fruit (grapes) and some flowers. Belgian exports comprise vegetables (fresh and processed), fruit and flowers.

*Mutual Western European trade in horticultural produce*

IMPORTS

EXPORTS		EEC countries				Third countries			
		Holland	Belgium/ Luxembourg	France	West Germany	Great Britain	Sweden	Austria	Switzerland
EEC countries	Holland . . . . .	/	+	x	+xx +xxx +xxx	+x +x	+x		x
	Belgium/Luxembourg	x	/	x	x				
	France . . . . .			/	+x	x			
	Italy . . . . .		xx	x	+xxx +xxx +xxx +xxx	+x +	+	xx	+x +
Third countries	Greece . . . . .				x				
	Spain . . . . .	x	xx	+	xxx xx xx	+x x		x	x

+ £5,000,000 in 1952 (< £2,500,000 = 0).

× £5,000,000 increase 1952-62 (> £2,500,000 = £5,000,000).

The remainder of inter-EEC trade is not large. French imports comprise mostly apples from Italy, hothouse vegetables and bulbs from Holland, vegetables (chicory) and flowers from Belgium. The internal Benelux trade in horticultural produce covers a very wide assortment.

An examination of trade between the EEC countries and other Western European countries shows that the EEC is an exporting area, with Italy and Holland as the two biggest exporters. The only flow in the opposite direction is from Spain (70 per cent. oranges) to the EEC.

Of countries not associated with the EEC, Great Britain is the chief importing country. Holland supplies glasshouse tomatoes, other fresh vegetables and bulbs, as well as nursery stock. Italy is important for the supply of processed tomatoes (canned and purée) and fruit.

The Alpine countries, Switzerland and Austria, have an assortment of exports and a wide variety of produce is exported from

Italy. Holland has a number of specialized exports. Scandinavia, particularly Sweden, is an outlet for bulbs and glasshouse vegetables from Holland and for citrus and other fruit from Italy.

Mutual trade among the non-EEC countries is comparatively small, only Spanish exports to Britain being important. These exports consist also to a great extent of citrus fruits, but include onions, tomatoes, processed fruit and grapes as well. Finally, Spanish orange exports to Scandinavia and Switzerland are worth mentioning.

We can therefore conclude that three main lines characterize the Western European trade pattern, namely:

- (a) A South-North line, Italy to West Germany.
- (b) A second South-North line, Spain to Great Britain.
- (c) An East-West line, connecting Holland with West Germany to the East and Great Britain to the West.

Secondary lines of connexion complete the picture. These lines are:

- (d) Crossed lines South-North, Italy to Great Britain and Spain to West Germany, along which only a very limited assortment is moved.
- (e) Extensions into Scandinavia of the main and secondary lines running to West Germany.
- (f) Short connexion lines between nearby markets, such as Italy to Switzerland, Italy to Austria, intra-Benelux, and to some extent also Holland to West Germany, along which a very wide assortment is moved.

With few exceptions, a general characteristic of all these lines of international trade is that the quantities of horticultural produce involved are increasing constantly.

## II. *Forces controlling the trade pattern*

The second stage of this study is an analysis of the forces governing the pattern of international trade and particularly the international division of labour. Horticulture is a very complicated industry; this makes necessary some generalizations in this study. There are minor exceptions to many points in the following analysis.

### *Patterns of demand*

Consumption of horticultural produce per caput in Europe varies considerably from country to country and even within the national borders there are great regional contrasts. These differences are

much bigger for the individual kinds of fruit, vegetables and flowers, than for the total purchases of these products. In one region sales of a commodity may be very big but in another country practically non-existent.

The causes of this great diversity are differences in prosperity and in production possibilities. Where prosperity is high, consumption of horticultural produce is high; elsewhere consumption is low. If production conditions for a commodity in a region are favourable, its consumption is high, but consumption of another commodity with unfavourable local growing conditions will remain low.

By means of inter-regional or international trade, these differences may be ironed out. Products of areas with favourable growing conditions are sent to consumption areas with high purchasing power. All the above mentioned lines of international trade run to prosperous consumption areas.

Thus, as a consequence of the continuous play of supply and demand, nutritional and other living standards have grown up in the course of many years, creating habits which vary considerably from area to area. In one area consumption is high on account of a high level of prosperity and favourable production conditions for many products. In another consumption is only moderate despite high prosperity, because of unfavourable local growing conditions, the detrimental influence of which is only partly compensated for by international trade. In other places consumption is rather high despite low standards of living, due, for instance, to very favourable climate conditions allowing not only ample home supplies but also large exports. In other regions consumption is small on account of poverty and bad growing conditions for horticultural produce.

The result is that the demand for a certain kind of flower, fruit or vegetable, varies in intensity and elasticity according to country, region, season and population group. This very great diversity is the basis of the pattern of international trade in horticultural produce in and outside the EEC.

#### *National conditions in horticulture*

Among the circumstances determining whether horticultural production developed or not, growing conditions occupy a very important place. In particular soil, water supply and climate are of great importance. Horticulture needs only small areas of land. Where the climate is favourable for horticulture, there is generally soil to be

found that is suitable or can be made suitable, and fresh water supplies which can be made available. Soil conditions are rarely the deciding factor. The climatic requirements of various products, however, vary greatly, particularly that of temperature. Growing processes are closely allied to minima and maxima which differ with many products in various stages of growth. Some products require high, and others low temperatures.

In Europe there are various climatic zones. In the North the winters are too cold for many products and the summers too short. More to the South these limitations are of less importance; there growing conditions become more favourable for numerous plants and trees. In the South, however, the summer is too hot and too dry for a number of crops, while the lack of winter cold is fatal for some trees; other crops, however, can only be grown in this southern climate.

Great differences in regional assortment result from this climatic variation which also causes the harvest of a product to move from South to North as the season advances. In the autumn a movement in the opposite direction takes place. For the many perishable horticultural crops, this movement has a great influence on the seasonal pattern of international trade. It explains two of the three main lines of international trade (*a* and *b*), and also why the secondary crossed lines (*d*) and the secondary lines of Scandinavia (*e*) all run South-North.

The climate also changes from West to East. Some horticultural crops find ideal conditions on western coasts where winters are mild and summers are cool and humid. Other crops prefer the winter snow cover and the summer warmth of the eastern continental climate. Here is one of the bases of the East-West lines in international trade.

By the use of glasshouses with or without heating, it is possible to grow some crops more to the North than would be possible in the open, but with the same harvesting period as those grown further South in the open.

The same climatic limitations play a part within glasshouse horticulture as for horticulture in general. In summer temperatures in glasshouses in a hot climate rise beyond the maximum that can be endured by the crops. In a very cold climate the glasshouse temperatures in winter threaten to sink below the minimum required. The result is that horticulture under glass found its climatological basis in the temperate zone, around the North Sea. At this latitude there are also the biggest Western European industrial centres. Consequently the connexion lines run mainly East-West and West-East.

Products from glasshouse horticulture are not usually comparable in quality to similar outdoor crops harvested elsewhere at the same time. This has given glasshouse commodities a place of their own in international trade, and this place is only slightly affected by similar outdoor products.

*The geographical situation of production areas*

Many horticultural products are very perishable and others are bulky or heavy and have a low value to weight relationship. This is why marketing of horticultural produce involves relatively high costs.

These costs comprise not only transport costs but also costs of grading and packing, which are often a heavy burden. Perishability is also a cost factor of significance, either as waste from grading before transport, or as cooling costs during transport or as quality loss after transport. In this respect emphasis must be placed on the importance of rational marketing and distribution methods and the hampering influence of inefficient and slow marketing.

For these reasons horticulture is very strongly tied to the vicinity of consumption centres. The bulk of the European production of flowers, vegetables, plants and fruit, finds its final destination within some hundreds of miles of the production area. Part of the international trade belongs to the same category, namely the second short connexion lines (*f*).

These factors ensure that the products which move into international trade are those which do not perish quickly, can be transported easily or have a high price per ton. A high price per ton can be the result of the type of product, or of seasonal scarcity in consumption centres where the local crop has not yet started or is already finished on account of the climate.

The connexion between Italy and Germany is more favourable to trade than between Italy and Great Britain. This explains why the dominating main line South-North (Italy to Germany) consists of such a wide assortment. Spain's situation in relation to Germany is rather unfavourable compared with Great Britain. The result is that this second main line from South to North comprises also a wide assortment. Along the secondary crossed line from Spain to Germany and other continental markets, citrus fruits which find less favourable climatic conditions in Italy are the main commodities. Exports from Italy to Great Britain are also of a limited assortment, the range being



restricted by the difference in growing conditions between Italy and Spain.

### *Production Conditions*

In areas where the collective influences of demand, growing conditions and connexions with consumption centres are sufficiently strong, horticultural areas can develop, provided that production is not inhibited by other factors. A first requirement is the availability of labour (since virtually all horticultural crops demand high labour inputs), to ensure that enough labour will eventually become available for the development of an industry for which other economic conditions are favourable. Although clearly a specialized industry, horticulture has always had sufficient contacts with other agricultural sectors (and in some coastal areas with fishery) to permit a steady increase of its labour force, since agricultural population pressure exists virtually everywhere.

Horticultural expansion has occurred in different ways. Frequently farms established on the outskirts of a horticultural area gradually turn to the more intensive horticultural crops. Such a transition often takes some generations. A second way is that agricultural workers or sons of farmers migrate to horticultural centres and settle themselves there, either as independent growers, part-tenants or employees.

Another important cause is population pressure in the horticultural industry itself. Horticulture in many places is a family enterprise and population pressure takes the form of succession pressure. This can lead to further intensification within horticulture, but frequently the horticulturalist buys or leases plots of agricultural land and makes it fit for horticulture.

But a latent population pressure does not always lead to horticultural development even where other conditions are favourable. For example, if prospects are clearly more favourable in other industries than in horticulture, no labour will move to horticulture and in this case horticulture too will be drained of labour.

This latter factor has inhibited horticultural production in the highly industrialized parts of Western Europe which offer ample alternative employment. In the immediate vicinity of these regions, e.g. in West Germany, Great Britain and Belgium (Wallonia), horticulture is confined to products which are difficult to market over long distances.

Horticulture became important in some less highly industrialized countries with favourable conditions for it and even developed into

an exporting industry. Examples are provided by Italy, Holland and Spain, and also some parts of Belgium (Flanders) and France.

### *Grading Policy*

In the course of time an artificial factor was added to the ones already mentioned. Trade political measures, especially in the thirties, were used to exercise a certain influence on international trade in horticultural produce. Basically such measures were used by the importing countries to restrict imports. The first drastic measures were taken by Germany as part of the steps to restrict an outflow of foreign currency. A cumulative process sets in of price falls, import restriction measures to protect home horticulture, further price falls, further restrictions and counter measures by the export countries. These processes were intensified by endeavours towards autarchy in some countries and led, in the thirties, to a serious disturbance of competitive conditions in international trade.

Particularly in a country like Holland, exporting a great part of its horticultural production, very great difficulties arose. These difficulties were increased still further because the Dutch crops, unlike those of Southern Europe, were marketed at about the same time as the crops which the importing countries wished to protect. The burden of the protective measures therefore fell comparatively heavily on Holland, with the result that Holland was compelled to establish a strict regulating system in order to save its horticulture from complete destruction.

After the war, international trade in horticultural products resumed fairly quickly and in various importing countries the tendency to continue pre-war protection remained. Sometimes this policy was changed and measures to maintain a *status quo* were introduced; but only West Germany pursued a liberal import policy and permitted increased opportunities for importers.

Despite the pre-war trade-political struggle and the disturbances during the wartime and post-war scarcity, the main lines in the pattern of international trade in horticultural products have remained much the same. The scope of political measures affecting trade has been limited. But at the same time the passage of time has led to some changes in both. A number of adjustments therefore had to take place. In the exporting countries the adjustment consisted of smaller production of those items which can be produced comparatively easily, although at a higher price level, in the importing countries,

where production had in many cases increased and consumption declined.

When the EEC was started in 1958, some dynamic processes in the field of consumption, marketing and production were well under way, processes which introduced great changes in the picture given earlier. In its turn the EEC removed the stagnation of trade caused by political measures. These developments must be examined individually and in respect of their mutual interdependence.

### III. *Recent dynamic tendencies*

An important phenomenon of European economic life in the past decade has been the continuous increase in the level of prosperity. It is not relevant here to discuss this phenomenon nor the influence of the EEC on it; for an analysis of the situation in an industry, it is sufficient to take the increase of prosperity as a point of departure.

Technical progress has advanced hand in hand with the increase of prosperity and this factor is one of the principal autonomous causes of the increase of prosperity. But this increase of prosperity has brought with it an increase in wage costs and this in turn has compelled the horticultural industry to apply labour-saving technical innovations.

#### *Influences on demand*

The connexion between prosperity and the demand for horticultural products has already been stressed. This connexion remains very strong. The great increase of purchasing power in the past years, caused great changes in the demand for horticultural products. Interest in flowers and plants increased considerably among both private consumers and public authorities in charge of parks and ornamental gardens. This growing interest expressed itself in an increasing demand for cut flowers and pot plants, and for trees, shrubs, garden plants, bulbs and seeds.

In the sector of edible horticultural products the demand also changed. In some food sectors, demand decreases when prosperity rises, but in horticulture generally this is not so. Demand for some coarse vegetables is diminishing. On the other hand, many traditional kinds of fruits and vegetables continue to be in good demand. These are mainly products which in the past used to be periodically or constantly too expensive to meet a mass demand, but present high prices are less of a deterrent. Further, the increased demand is now directed

towards products which can easily be prepared and is influenced by a third factor, namely the modern science of nutrition.

Luxury, convenience and health are the lines along which the development of demand throughout Western Europe now takes place. Under these circumstances there has been a strong increase in demand for good home-grown varieties of fruit, fruit from 'foreign' climatic zones, early vegetables, preserved vegetables, fresh vegetables for salads (especially glasshouse vegetables) and fruit juices. In so far as these products are not home produced, expansion of international trade has followed.

#### *Influences of the geographical situation of the production area*

Progress in technique does not of course diminish distances but it does improve handling and speeds up transport. In the transport industry a major revolution has occurred. On medium distances the lorry, thanks to better main roads, has completely taken over from the railways the transport of horticultural products. On long distances the railways are now faster and better equipped than formerly. Aircraft have become of great importance for flower transport. Railway-ferry transport has developed considerably. Coasters have taken over sea transport from liners on short routes. Speed, adaptability and good equipment (notably for cooling) characterize the present transport of horticultural produce.

The result is that the transport situation of horticultural centres which are not situated in the immediate vicinity of great consumption areas, has gradually improved and the competitive power of centres mainly based on the immediate vicinity of a consumption centre has diminished. This process of specialization has, of course, also increased international trade.

A further factor is the increase of wage costs which has started a powerful process of rationalization in the retail trade. The retail trade has been speeded up by self-service, and improved by the provision of more varieties. Turnover per employee has been increased with the result that specialists can now be more economically employed. Consumers have accepted this development because free and ample choice fits in both with the increased purchasing power and also with the limited time available for shopping.

Many horticultural products can now be bought in chain stores, consumer co-operatives, voluntary chains and department stores. All these types of shop deviate from the traditional independent

shopkeeper in so far as they cannot work without planning. So far as horticultural products are concerned this means that these new types of shop must be able to rely on a regular (often daily) supply of standardized lots of sufficient size. They can only build up this supply from large growing areas producing a sufficiently big supply, fit for standardization. The small horticultural centres around the towns, dependent on local sales, do not generally fulfil this requirement; the supply is mostly too small, too varied and too much fragmented. In this way specialization meets an additional impulse, which in many cases also tends to increase international trade.

### *Influences on production*

The increase of labour costs inherent in the increase of prosperity, leads also to changes in horticultural production patterns. Higher wage costs compel the grower to apply mechanization and other labour-saving methods. Where horticulture is practised in family enterprises the pressure of higher wages is not felt immediately; here the pressure is expressed by foregoing a share in the general rise in prosperity. After a lapse of time these enterprises must also apply labour-saving methods; otherwise there is a movement of the younger generation to other professions. Both processes are in fact well under way.

In order to benefit fully from machinery, &c., an enterprise must exceed a certain minimum size. In many old centres where family enterprises predominate, the average size of enterprise is too small. Elsewhere the enterprises are big enough but the structure of the holding is out of date and unfit for the new working methods. The adjustment processes are very difficult but the necessity to adjust grows every year.

In some traditional centres, horticulture is stagnant because adjustment is too difficult. This is mainly the case in old fruit-growing areas and in outdoor vegetable centres where holdings are very small. The stagnation also occurs when the demand for the products of these areas does not increase. Young people migrate from these areas, especially to adjacent industrial towns. Thanks to boom conditions and full employment, this process has recently been taking place regularly and smoothly.

In numerous small enterprises where no expansion of the acreage is possible, growers seek a solution through increasing their capacity by the construction of glasshouses, involving the use of larger amounts of capital in the business. This development is assisted by the increasing

demand for vegetables and flowers from glasshouses. In the existing centres of horticulture under glass the same tendency leads to a continuing intensification, which often takes the form of a transition from vegetable-growing towards flower-growing, which is even more intensive. This process is also accompanied by higher investment to obtain the benefit of labour-saving methods. Although the small enterprise, primarily based on family labour, continues to predominate in this sector of the horticultural industry, bigger glasshouse holdings may also come into existence, especially as these can make a better use of mechanization and automation possibilities.

On the border line between horticulture and agriculture there is usually sufficient space for an optimal size of the holdings to be developed. Here new rational horticultural centres are created, some of which have already grown into centres of international importance. In fruit growing, many examples can be found. Outdoor vegetable-growing, especially the section supplying the growing processing industry with raw materials, experiences a similar change. Bulb and nursery stocks production show similar tendencies as well as flower-growing in the Mediterranean area.

In most cases, the transition from agriculture to horticulture is only possible after sufficient works have been carried out for increased water supplies or other elements of the infra-structure of a region. But it is usually impossible to duplicate the micro-climate and the specific kind of soil of existing horticultural centres. This offers some old centres a certain protection. Nevertheless all this leads to the growth of a number of centres where the holdings can reach an optimal structure and can benefit from increasing demand and improvements in transport. Thus the keystone to specialization is gradually formed, a specialization induced by the dynamic forces already discussed; and one which, in many respects, adopts the form of an increasing international division of labour.

#### IV. *The significance of the EEC to horticulture*

The processes outlined might be regarded as incompatible with the post-war developments in political attitudes to international trade, at least in so far as they tend towards a further international division of labour. The choice is either to have the processes develop only within the trammels of national protectionism, with the danger that they stagnate or fail to come into existence at all, or to see the national markets amalgamated into a larger entity and to accept this dynamism

with all its consequences. The Common Market is a conscious choice in favour of the latter course.

This is not of course specifically a horticultural problem; horticulture constitutes only a small part of the general economic problem for which the Common Market offers a solution. But at least it can be shown that in the case of the horticultural industry the removal of political restrictions on trade compels the producer to adapt himself to changed circumstances, brought about either by the creation of new opportunities or by the reduction of existing possibilities.

The decision, when creating the EEC, to have a transitional period during which the Common Market should be gradually formed has proved very wise. It has meant that the consequences of liberalization have not disturbed the existing situation too abruptly, but, on the other hand, growers feel the inevitable necessity to adapt themselves to the changing circumstances in the course of a number of years. But it is difficult to estimate precisely what adjustments result specifically from political developments since horticulture must simultaneously react to changes in demand, in the transport situation and in the production sphere. In some areas these four factors reinforce each other in a direction unfavourable to horticulture, in others they all work in a favourable direction; elsewhere they may cancel each other out.

Artificial trade restraints existing before 1957 belong to four categories: import duties, quotas, export and production premia and import prohibitions. Each of these must be discontinued for intra-EEC trade in the course of the transitional stage. Unlike the fruit and vegetable industry the flower and nursery stock industry has not yet outlined a clear policy in this matter.

Import duties are to be gradually reduced during the transitional stage until they disappear completely; at the present stage they have been more than halved. Quotas are being gradually raised or abolished and already they no longer constitute an obstacle to trade in most horticultural produce. The export and production premia are doomed to disappear in accordance with the obligation to abolish measures within the EEC that falsify competition. Abolition is soon to be enforced.

The most important measure remaining is that of import prohibition which is the only device allowed during the transitional stage. Import prohibition cannot, however, be applied at will, its operation being coupled to a system of minimum import prices. If the market price

of a product in an EEC country sinks below 92 per cent. of the average of the past three years, that country is allowed to close the frontier for the product, until the market price has risen again beyond that level. But this system must also be gradually broken down and will close at the end of the transition stage.

The removal of the minimum import price system and of import stops based upon it, is linked to the progress of the standardization of quality and grading rules for the whole of the EEC territory. On 30 July 1962 the standardization of twenty-one main products was completed in principle and quality 'Extra' of these twenty-one was liberalized immediately. This means that the system of minimum import prices and quotas for those qualities and products was abolished. On 1 January 1964 a second step was taken, and quality 'One' was liberalized. Quality 'Two' will be liberalized on 1 January 1966 so that the process of liberalization will be virtually completed by that time. However, measures to restrict intra-EEC trade are not completely excluded in spite of this liberalization, every country being entitled, subject to the approval of the competent EEC authorities, to close the frontier in case of a grave disturbance of the market, but only for so long as the disturbance continues.

Although great progress has been made in the fruit and vegetable sector, much work is left to be done. In the first place, the technical realization of the standardization of quality and grading rules requires much attention. It is difficult to fix uniform rules which have to be effective from the Danish-German frontier to Sicily and from Brittany to Venice for products the quality of which is so dependent on the climate. Once the rules have been fixed, their application too constitutes a difficult problem when the completely different marketing methods, duration of transport and structure of the country communities in the various areas are taken into account.

In the second place, the system of linking standardization and liberalization should be extended to all important kinds of fruits and vegetables. The EEC took over the rules from a working party on standardization of the E.C.E. in Geneva. This working party dealt with all Western and Eastern European countries where problems of standardization are even more complicated than in the EEC itself.

Thirdly, the stipulation 'import stop on account of grave disturbance of the market' should be superseded. This can be done as soon as export countries refrain from dumping their over-production, regardless of price, on importing countries, but instead take the



excess out of the market in the production area. In Holland thanks to the system of minimum auction prices this has been done for many years. In the other countries the organizational basis necessary for such a system does not exist. In EEC circles progress is being made with a study to find a solution to this problem.

The availability of considerable financial means in the EEC Orientation and Guarantee Fund for Agriculture might constitute an important element. This fund will not be used exclusively for orientation purposes but may well be used to form some guarantee element in the market. On the other hand, the orientation aspect of the fund is certainly equally important. It looks as if it will play an increasingly important role to enable growers, merchants, processors and their organizations to adapt themselves more quickly to the many changes caused by the dynamic tendencies described in this paper.