

meat - and - bonemeal in feeds and their possible connection with bovine spongiform encephalopathy (BSE). Direct sales to farmers both of dehy as a straight feed and of feeds incorporating a higher percentage of the grain product, are also increasing, especially in the dairying regions. All this will no doubt increase consumption of dehy products in the community and other dehy consuming nations as well.

EEC PRODUCTION SUBSIDY FOR PROCESSED ALFALFA

The production of dehy and suncured alfalfa in the producing EC countries (France, Spain and Italy) is heavily dependent upon EEC subsidies. In the past subsidy paid for dehy alfalfa was much higher than that paid for sun-cured. For example, in 1987 EEC subsidies reportedly amounted to 50% of price paid to producers by processors and cooperatives. However, last year the Commission agreed to remove some of the differential to narrow the gap between the subsidy paid to dehy vs. sun-cure. To enable Spanish producers to receive the same level of aid as those in France and Italy. This is still 33 ECU per tonne below the aid for dehy. The higher rate of aid for sun-cured now on offer could eventually help to reverse the trend in the community but it will be at least another two years before there is any significant change. It is also important to note that subsidization in the EEC was limited to 2 million tonnes per year. However, to the best of our knowledge this limitation is no longer in effect.

Continuing large expansion in dehy production capacities in Italy and Spain could therefore, particularly in medium term, result in important decrease in dehy alfalfa price which would be upset by EEC subsidy. Imports of dehy alfalfa into EEC is exempt from duty under tariff heading 1214.10.00. The estimate for EEC production of processed alfalfa has reached 2.2 million tonnes in 1989.

The following tables are selections taken from Agra Europe issue of June 29, 1990 which will highlight valuable statistics regarding dehy products.