

3. Fertilizer Situation

Fertilizer availability is not a limiting factor in the U.K. at present, however, nitrogen quotas have been mentioned in relation to curbing cereal production under the Common Agricultural Policy (CAP) of the European Economic Community (EEC).

Estimates for 1984/85 fertilizer consumption on an actual nutrient basis are:

Nitrogen	1,580,646 tonnes
Phosphate	470,574
Potash	542,970

4. Import Mechanism

Private importers purchase grain from the international trade under CAP import regulations.

5. Grain Industry Infrastructure

Three major milling organizations and two major grain trade firms purchase non-E.E.C. wheat directly for virtually all U.K. and most of Ireland. The three milling Groups, Mardorf Peach/Associated British Foods, Rank Hovis McDougall, and Spillers Milling account for about 75 percent of non E.E.C. origin imported wheat which corresponds roughly with their collective share of the U.K. flour market. The balance of the flour market is supplied by smaller independent mills who purchase non E.E.C. wheat from two major trade houses namely Usbornes in the South East of England and Milford Grain in the North West. Alexander's a small trading firm associated with Halls of Ireland, also purchase third country wheat for Irish Mills. This market configuration appears to be stable. Toepfer International have recently been designated as import agents for the Co-op Mill in Dublin, formerly Bowlands. In doing so Toepfer join the U.K. Ireland supply group.

6. Government Policies Affecting Grain and Agriculture

A small coresponsibility levy has been introduced under the CAP as a first step in curbing grain production within the EEC. Other measures under consideration include 'set-aside' and nitrogen quotas, but rapid curbs in production are unlikely to be acceptable to the EEC as a whole. Milk quotas were introduced two years ago under the CAP and the dairy sector has stabilized. It appears that there will be a reduction in EEC support for beef production as intervention stocks are rising. For the first time the EEC has set an upper limit on rapeseed production, but this limit will not be reached this year. However, changes are underway with regard to acceptable levels of glucosinolate in rape.