The general objective of agricultural policy is to secure for the agricultural population a standard of living commensurate with that enjoyed by other sectors of the community. Another main objective is to reduce costs of production through increased productivity in order to keep down the cost of living and to make Belgian agriculture more competitive. Agricultural policy also aims at improved quality of the produce and the maintenance of a certain balance between vegetable and animal production.

Moreover, there is the necessity to reduce production costs in order to ensure compliance with the decision of the Benelux Ministers on 3 May 1955 that the agricultural policies of the Benelux countries must be fully coordinated by 1962.

B. Special Measures

Agricultural prices are not guaranteed by the Government, but "target prices" (i.e., prices which should normally be realized as averages for the year concerned) are determined for wheat, milk and butter, pigs and cattle for slaughter, eggs and sliced chicory roots. These target prices, which are periodically reviewed, are based on production costs and the effects of agricultural prices on the cost of living. However, average annual prices may vary from the target prices without imposing any legal obligation on the Government to intervene. Should such intervention take place, it is carried out by the "Office commercial du ravitaillement" (OCRA), a Government institution which, through buying and selling operations, may be used to influence the market in order to ensure that the target price is achieved. The target price for home-grown wheat is achieved as a result of the incorporation of wheat in bread-making flour which is required from the flour-milling industry. The percentage of home-grown wheat incorporated in bread-making flour is adjusted to the amount that producers are in a position to supply to the millers concerned. The OCRA is obliged to support the market for pigs and cattle.
for slaughter when prices fall 10 per cent below the target prices. In addition to market action by the OCRA, various other methods are used to achieve the target prices for milk and butter such as stockpiling by the trade itself and the application of a minimum price system to imports from the Netherlands.

Licence duties are payable on the import of coarse grains in order to maintain equilibrium between the profitability of coarse grain and livestock production.

Since 1948 the sugar market has been organized under a convention between the growers and the industry under Government control. Surpluses over domestic requirements are exported at world prices.

The market price for most important products other than the above is influenced mainly by regulating the quantities imported (see Section V).

Intra-Benelux trade in agricultural products is subject to the "minimum price" system (see OEEC Report 1957, page 34, para. 22).

II.

SUBSIDIES
(Including all forms of income and price support)

Market action by the OCRA has been described above.

Subsidies to producers are paid both by direct budgetary appropriations and by an "Agricultural Fund" which can take action in the form of credits and guarantees. The Fund's income and expenditure is part of the State budget.

A premium is granted for every hectare under feed grains in districts where production conditions are unfavourable in order to discourage wheat cultivation in these areas.

A variable subsidy is paid to firms using Belgian milk in the production of certain cheeses, milk powder, concentrated milk and casein, and in the 1958 budget Frs. 204 million were set aside for this purpose. These subsidies, however, are only paid to the enterprises concerned insofar as they have actually paid target prices to milk producers.

A subsidy of Frs. 28 million in 1956 and Frs. 12 million in 1958 was paid from the Agricultural Fund on the production of hothouse grapes.

Production subsidies on high grade tobacco are paid from the Agricultural Fund.

Subsidies from the Agricultural Fund are payable on exports of meat and in the case of exports of certain meat products containing pig meat the slaughtering tax is refunded.

OCRA periodically exports at a loss some commodities when in surplus such as eggs, butter, livestock, meat and preserved meat.
III. MIXING REGULATIONS

A certain percentage of wheat for milling into flour must be supplied from domestic sources. This percentage varies depending on the amount of domestic production and the price paid to producers as compared with the target price. Steps have been taken in order to bring about a reduction in the area under wheat (see Section II).

IV. STATE-TRADING OPERATIONS

(Including private enterprises enjoying special privileges)

As a supplement to its interventions on the domestic market to stabilize prices, the OCRA sometimes imports certain commodities when domestic prices are high (e.g. meat and butter), and exports others at a loss in time of surplus (e.g. eggs and pork).

V. IMPORT RESTRICTIONS

Import restrictions apply to wheat and wheat flour, to various products covered by the Intra-Benelux minimum price system and to some other items.

Most agricultural products subject to import restrictions may be imported freely from countries in the Benelux Union subject to minimum prices agreed between the parties. However, imports may be suspended when Belgian market prices fall below a predetermined minimum. Licences for imports from other countries are issued within the limits of global quotas either without distinction as regards country of origin or under the terms of bilateral agreements.

Imports of certain vegetables and fruit are regulated according to an horticultural import calendar. The calendar provides for a prohibition of imports from countries other than those in the Benelux Union when the bulk of the Belgian production comes on the market. At other times of the year such imports are not controlled.

A. Restrictions Applied to Products for which Support Measures are in Force

Cereals

(i) Wheat and wheat flour: Imports are restricted ................
(ii) Coarse grains: Imports of all coarse grains are free.

Hops

Imports are authorized only to the extent that home production finds normal outlets.

Milk and Dairy Products

Milk, cream, unsweetened evaporated milk, butter:

These items, covered by the minimum price scheme, may be freely imported only from Benelux countries ......................
Milk and Dairy Products (cont'd.)

Cheese, milk powder and sweetened condensed milk: Imports are free.

Livestock and Meat

Horses for slaughter, live bullocks, sheep, poultry (dead or alive): Imports are free.

Cattle and pigs for slaughter (except bullocks), draught horses: Imports are restricted ..................

Fresh and chilled meat (except mutton); smoked, dried and salted meat: Subject to the minimum price scheme; imports restricted except from Benelux partners ......................

Mutton, frozen meat, sausages, tinned meat, meat extracts: Imports are free.

Eggs

Eggs in the shell: Imports are restricted except from Benelux ..................

Sliced Chicory roots

Imports are authorized only to the extent that the target price for domestic production is achieved.

Sugar

Sugar beet: Imports are restricted .............

Sugar: Restriction based on minimum price. (Sugar production is in excess of domestic demand. Under the International Agreement on Sugar, Belgium has an export quota.)

Tobacco

Imports are free.

B. Other Restrictions Applied for the Protection of Agriculture

Most types of fruit and vegetables are covered by the minimum price system; imports from all countries outside Benelux are restricted during certain periods of the year.

Imports of fresh sea fish are restricted. However, the processing industry is authorized to cover its requirements without restriction.
VI.

MEASURES WHICH TEND TO REDUCE OR REMOVE THE NEED FOR NON-TARIFF MEASURES OF PROTECTION OR SUPPORT

1. Measures intended to improve quality or productivity:

The Department of Agriculture has extension services for the determination of methods to increase productivity and the quality of agricultural products.

2. Measures intended to increase domestic consumption:

The Government grants subsidies to encourage consumption of dairy products in schools, factories, hospitals, etc.

3. Measures for the re-employment of agricultural workers in other sectors of industry:

No such measures taken. In general, agricultural producers, whether landowners or workers, carry on until retirement age. On the other hand, fewer and fewer young people seek employment in agriculture.