Certain events taking place in Europe are of importance to the United States and of considerable interest to agriculture. These events, involving formation of a new economic community in Europe, will help determine the terms of future United States trade with that part of the world.

In 1960, Western Europe purchased nearly one-third of all United States exports, including two billion dollars worth of agricultural products. Nearly 25 percent of all United States agricultural exports went to the six countries of the new Common Market or European Economic Community.

It Affects Arizona

Among the commodities these countries received were substantial amounts of cotton, feed grains, animal products, fruits and vegetables, all of which are of importance to Arizona agriculture. In 1960 Arizona shipped out of the state about 3.5 million boxes of citrus fruits, 50,000 cars of vegetables, over 620,000 head of beef cattle, 190,000 sheep, and 835,000 bales of cotton.

The European Common Market was ratified in 1957 by France, West Germany, Italy, The Netherlands, Belgium and Luxembourg. It marks a turning point in both economic and political policy for an area with a population almost as large as the United States. Furthermore, the area probably will expand to encompass most of the remainder of Western Europe. Greece is already an associate member, and Spain has applied for similar status.

The United Kingdom is currently negotiating with the group to become a member. If the United Kingdom joins there is reason to believe that Norway, Sweden, Denmark, and Austria may also join. These countries combined have much greater population than the United States. While their gross national product is currently less than 60 percent of the United States, it is growing at a faster rate.

The Common Market countries have both political and economic unity as a goal. Ultimately, the intent is to have a common levy, trade will be facilitated between Common Market countries, but to the extent that external tariffs are raised for individual countries, as a result of the common levy, trade with the United States will be impeded.

U.S. Department of Agriculture projections indicate that by 1965 current policies will make the Common Market area 99 percent self-sufficient for wheat and 82 percent for feed grains versus 89 and 73 percent respectively in 1959-60. U.S.D.A. estimates that imports of wheat will be limited to quality products for blending purposes. Imports of other types, now averaging 3.7 million tons, will be practically eliminated.

Since feed grains are used in European livestock programs, there is more concern with keeping prices of these grains down. As a result it is expected that imports of feed grains will be cut by only 10 to 15 percent from present levels.

Have Money to Buy From Us

Since the United States has been a major supplier of agricultural commodities imported into the Common Market countries, any change in policy which may affect these sales is of interest to United States producers. Furthermore, the purchasing power of these countries is growing at a relatively rapid rate and the demand for goods will be increasing.

Producers should be interested in any attempts to maintain current sales and to share in any increased demand. The degree of United States participation in this growing market will depend largely on our policies and attitudes toward purchases of goods, for trade requires purchases as well as sales, both agricultural and industrial.

Impact of Farm Program

The federal government's agricultural programs in 1961 directly affected products grown on about two-thirds of Arizona's cropland. Sheep and dairy cattle are the only livestock directly affected by government programs. Major Arizona crops included in government programs are: cotton, barley, sorghum grain, corn, and wheat.

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