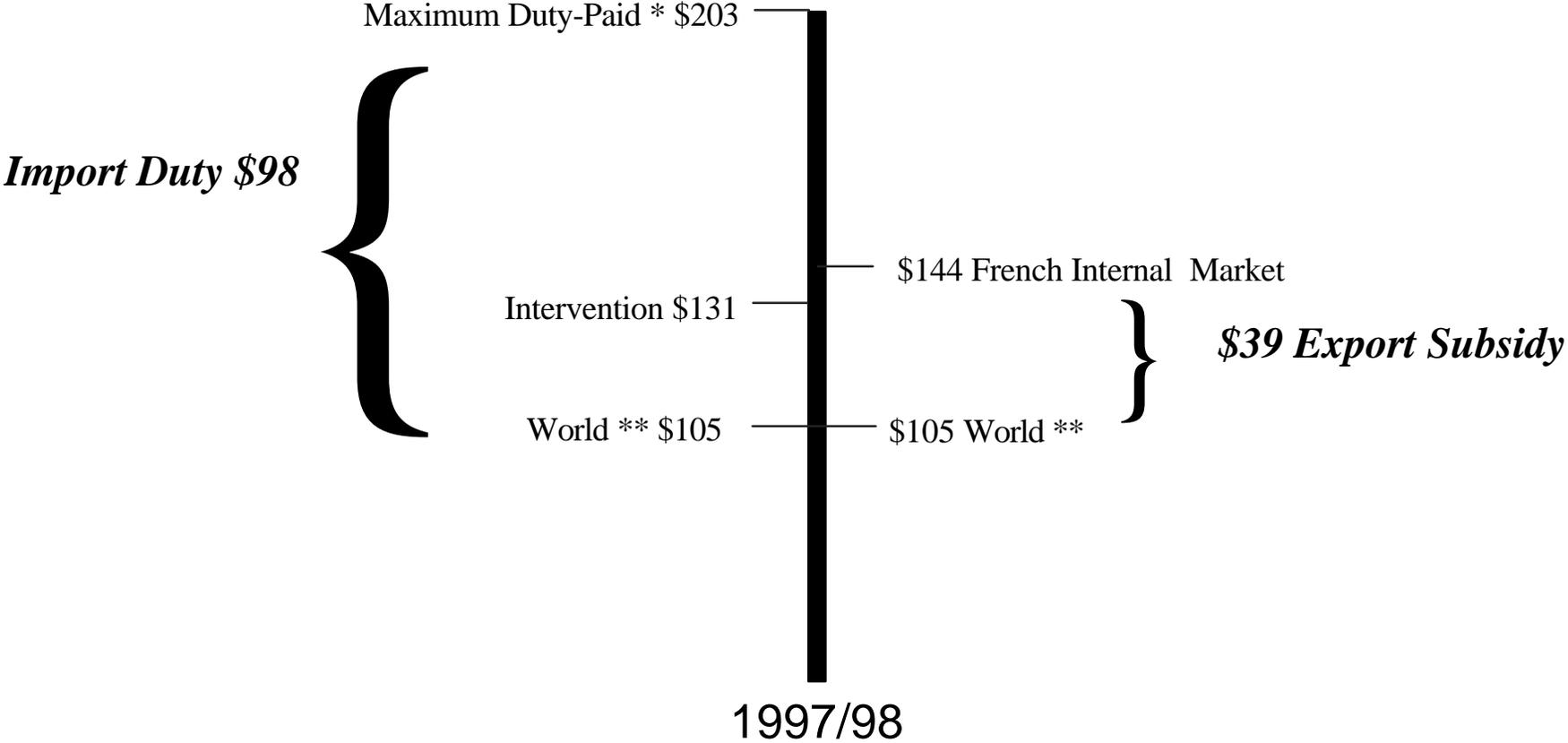
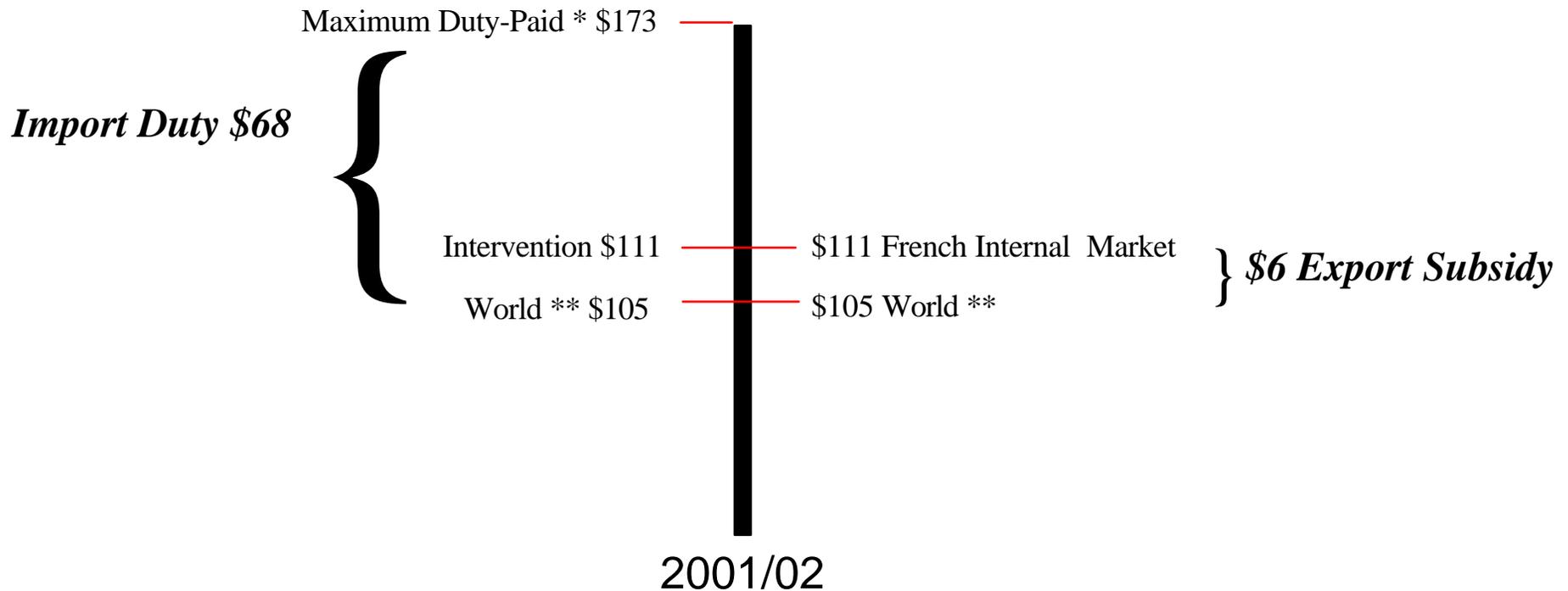


# CAP Reforms To Reduce EU Export Subsidies And Ease Import Barriers By Lowering Prices

## Prices Before Agenda 2000



## Prices After Agenda 2000



Note: \* Maximum duty-paid price is 155% of intervention price.

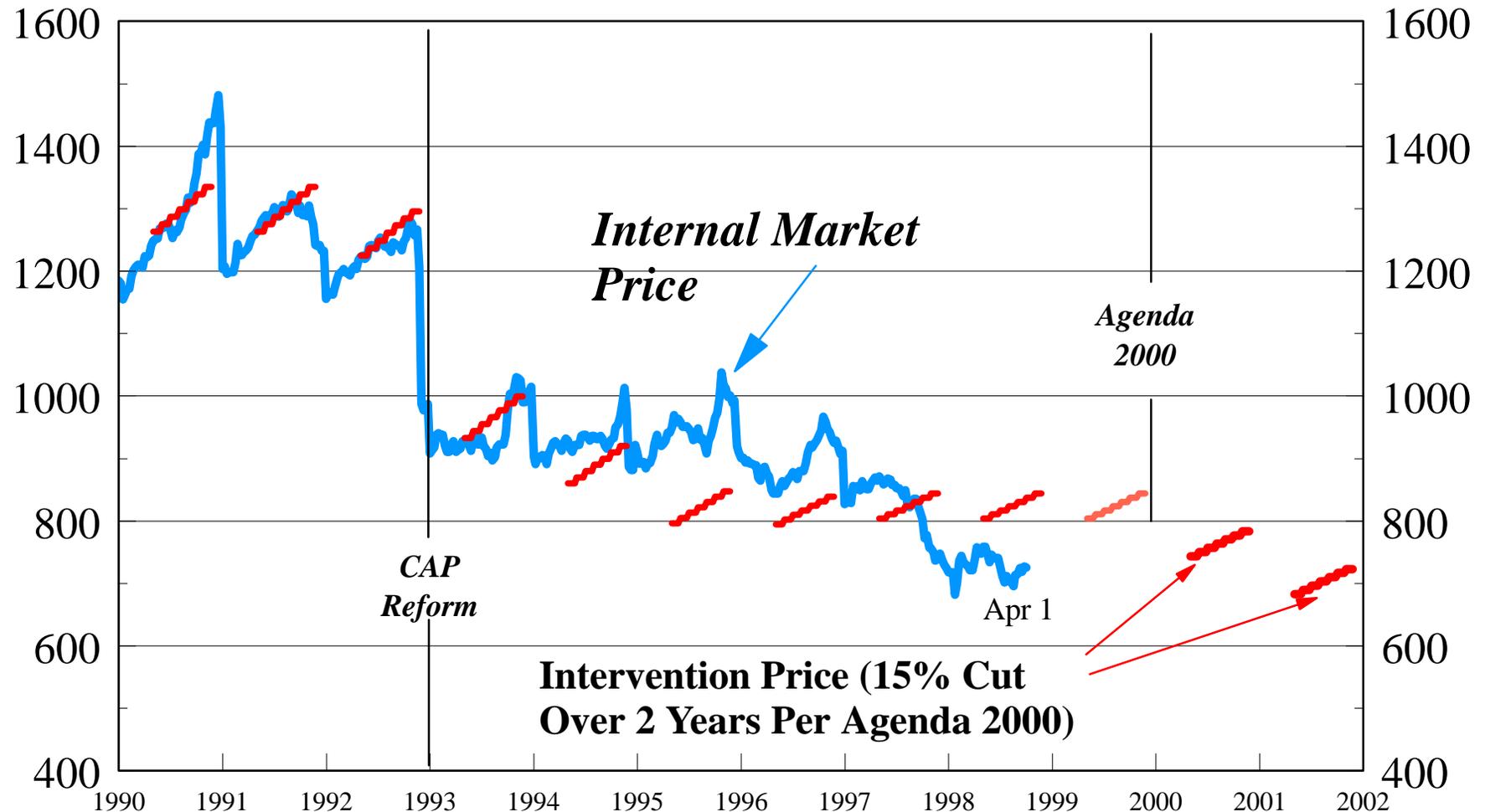
\*\* The world price is calculated as SRW, C&F Rotterdam.

The above analysis is for illustrative purposes only and assumes: 1) Unchanged world wheat prices; 2) EU internal market price equals intervention in 2001/02.

Prices converted using March 1999 exchange rate of 1 Euro = \$1.10.

# A 15% Cut In The Intervention (Support) Price Should Pressure Internal Market Prices, Which Are Already Below Current Intervention

French Wheat Prices in Francs/MT

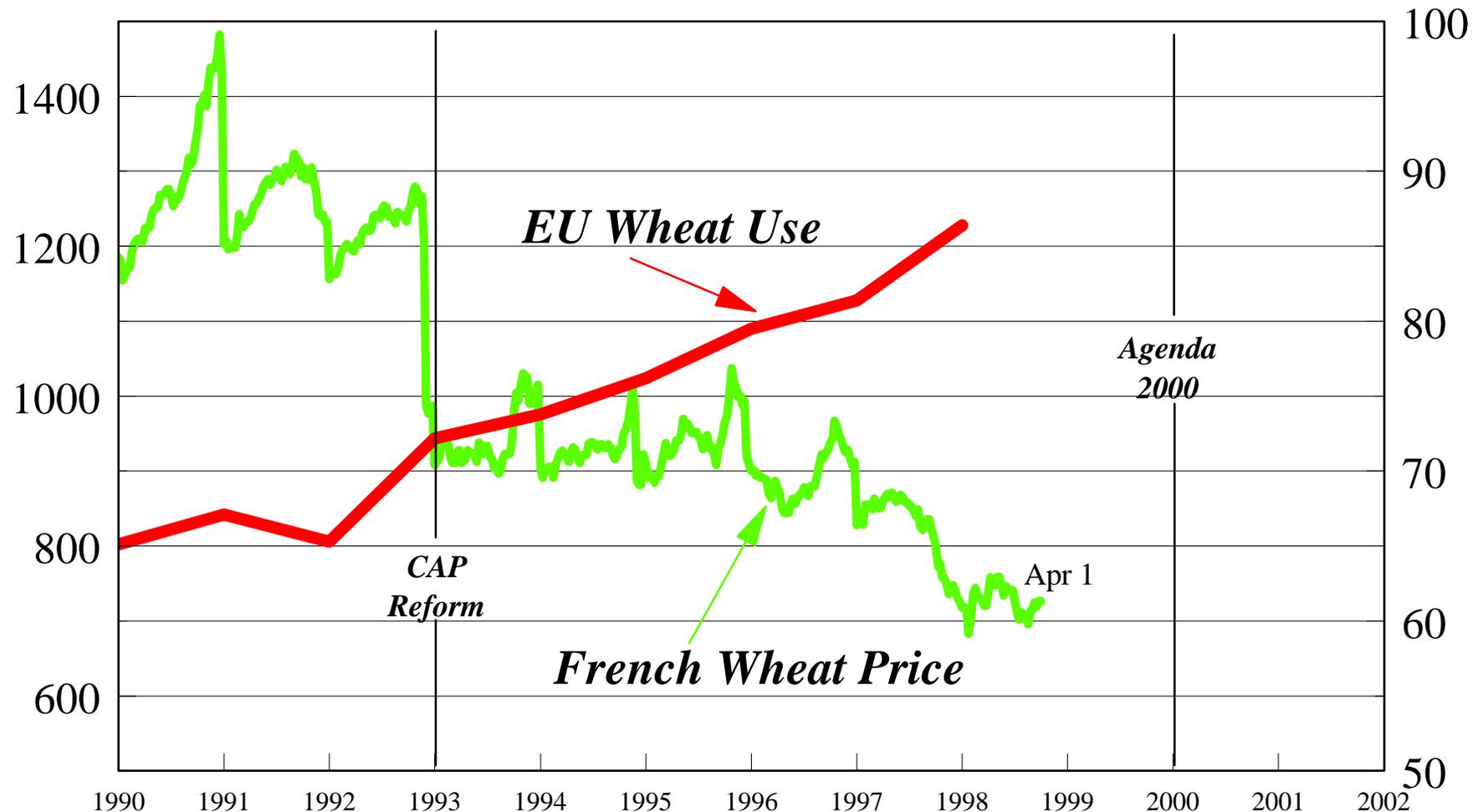


Source: Thursday Internal Market Calculated Prices.

# Lower Prices Would Likely Further Boost Domestic Grain Use, Especially Wheat, vis-a-vis Non-Grain Feed Ingredients

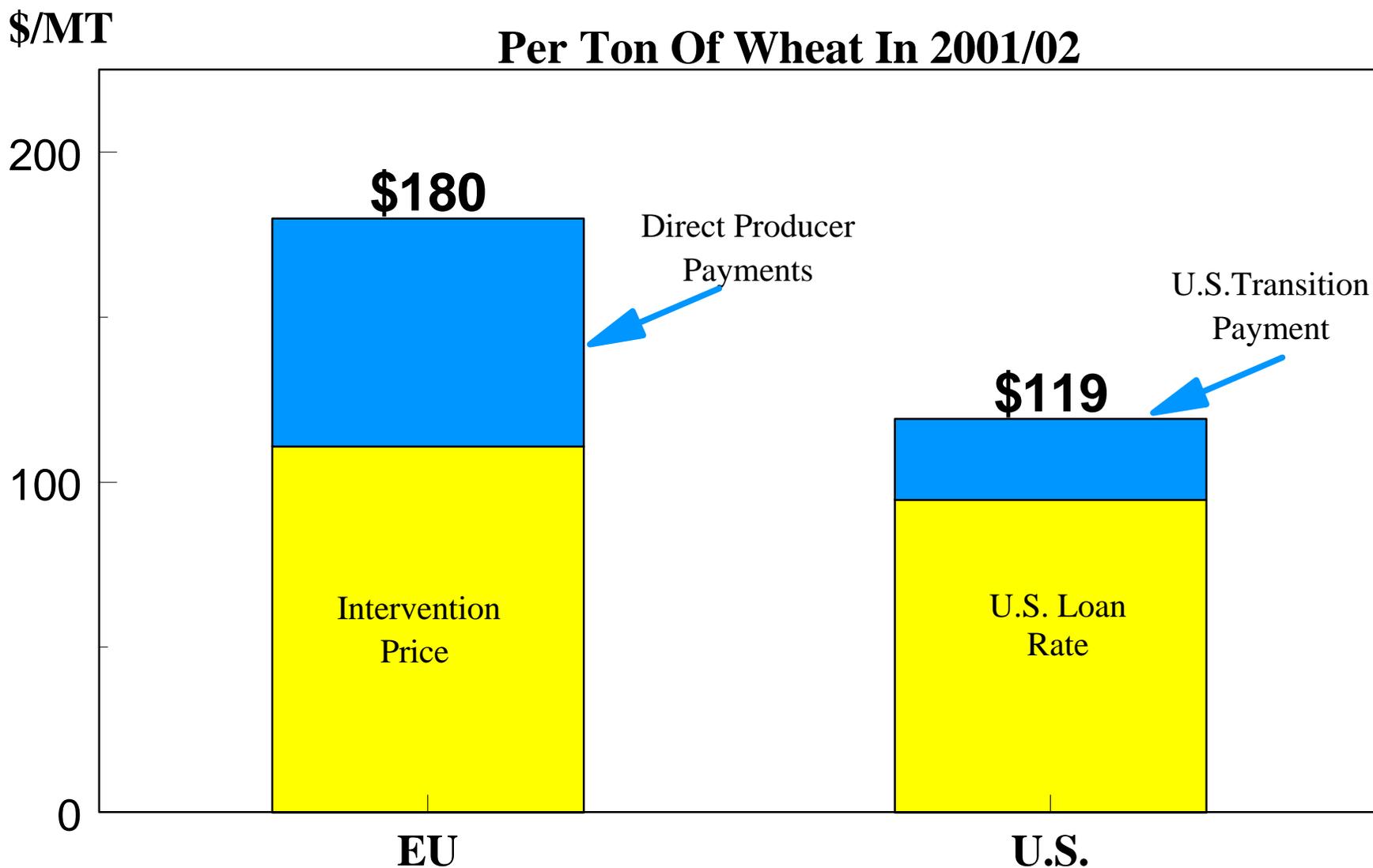
French Wheat Prices in Francs/MT

Total EU Wheat Use in MMT



Sources: Prices--Thursday Internal Market Calculated Prices. Use--USDA.

# High EU Direct Producer Payments Approaching \$70/MT Keep Government Payments 50% Above US



Note: Assumes unchanged exchange rate of 1 Euro = \$1.10.