

EUROPEAN PARLIAMENT

Working Documents

1979 - 1980

8 February 1980

DOCUMENT 1-720/79

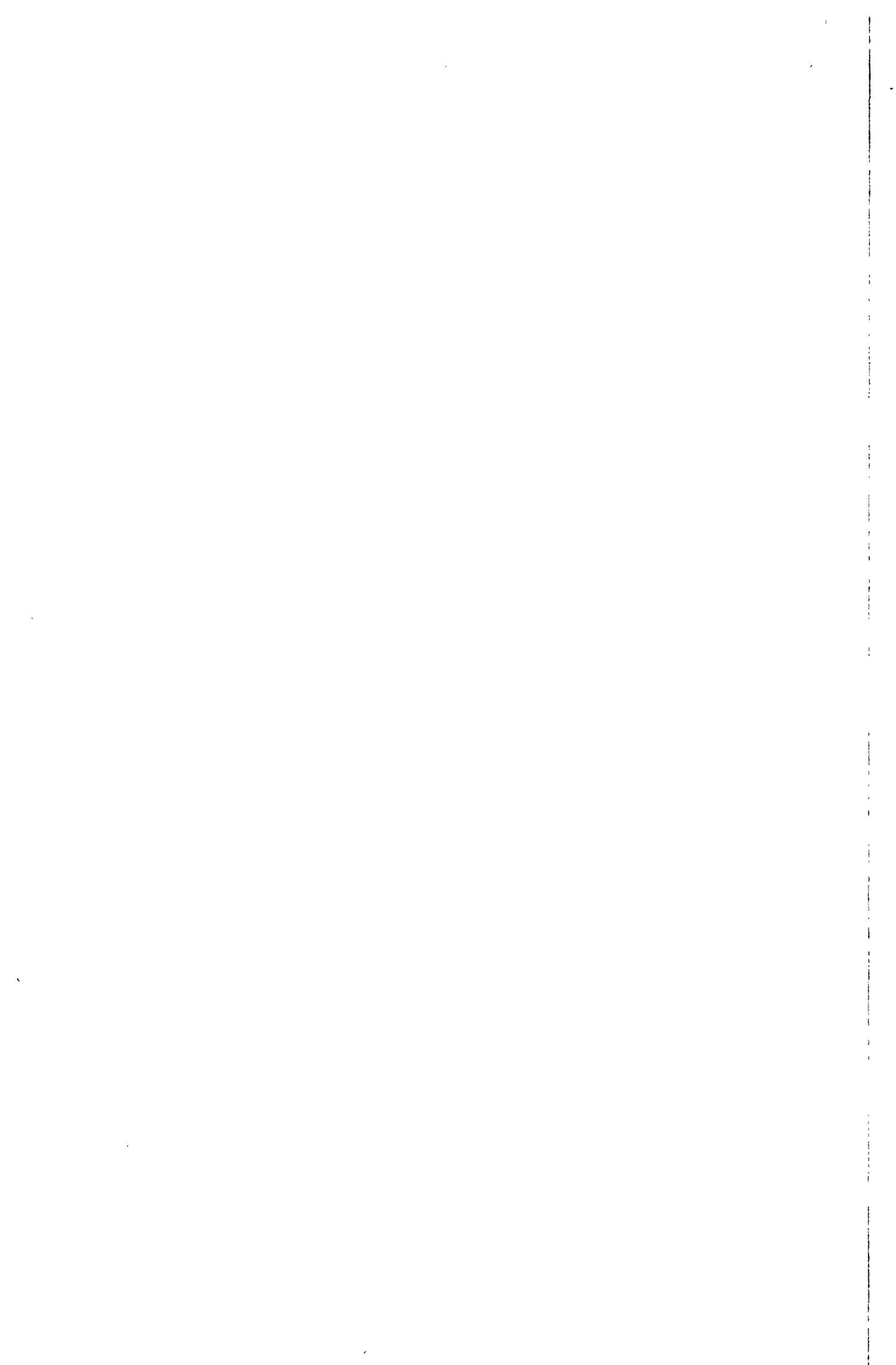
Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 1-573/79) for a regulation amending Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables

Rapporteur: Mr G. LIGIOS

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By letter of 3 December 1979 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No. 1035/72 on the common organization of the market in fruit and vegetables.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion.

At its meeting of 17-18 December 1979 the Committee on Agriculture appointed Mr Ligios rapporteur.

It considered this proposal at its meeting of 23-24 January 1980 and adopted the motion for a resolution by 22 votes in favour with 2 abstentions.

Present: Sir Henry Plumb, chairman; Mr Ligios, vice-chairman and rapporteur; Mr Früh, vice-chairman; Mr Battersby, Mr Bocklet, Mr Clinton, Mr Colleselli, Mrs Cresson, Mr Dalsass, Mr Davern, Mr Diana, Mr Gatto, Mr Helms, Mrs Herklotz, Mr Jürgens, Mr Maher, Mr d'Ormesson, Mr Provan, Miss Quin, Mr Skovmand, Mr Sutra, Mr Tolman, Mr Vernimmen, Mr Woltjer.

The opinion of the Committee on Budgets is attached.

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The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation amending regulation (EEC) No. 1035/72 on the common organization of the market in fruit and vegetables

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM(79) 624 final),
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 1-573/79),
 - having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 1-720/79),
 - considering that the proposed measures will improve the organization of the market in fruit and vegetables, in particular the reference price system,
1. Approves the Commission's proposal.

EXPLANATORY STATEMENT

1. The measures proposed by the Commission involve the following amendments to basic Regulation No. 1035/72 on the common organization of the market in fruit and vegetables:
 - (a) A new paragraph is added to Article 13 - which lays down the rules relating to producers' organizations - enabling the Commission to adopt, in accordance with the Management Committee procedure, such detailed implementing rules as may be necessary. The principal aim is to fix at Community level the quantity of fruit and vegetables which individual producers may market directly, as a derogation from the requirement to sell all their products through the association to which they belong;
 - (b) A further possibility, in addition to those already offered in Article 21(1)(a), is proposed for the disposal of products withdrawn from the market or bought in by intervention agencies. They may now be distributed free of charge to prison institutions, children's holiday camps or other organizations designated by the Member States, provided that these products are in addition to, and do not replace, the products normally bought;
 - (c) Amounts expressed in units of account are converted into ECU, on the basis of the established conversion rate;
 - (d) Under the existing rules, the countervailing charge which under certain conditions is applied to imports from third countries which do not observe the Community reference price, is usually withdrawn when the entry price has been at least equal to the reference price for two consecutive days. However, this has caused problems, since there is always a delay of five or six days between the time where the import of products into the Community at a price below the reference price is first detected and the day when the countervailing charge is actually applied. In the meantime the price may have increased again to a level higher than the reference price, with the result that the countervailing charge has to be withdrawn on the same day or the day immediately following its introduction. Under the proposed amendment, the two days on which the entry price is at least equal to the reference price begin from the actual application of the charge and no account is taken of the market rate on the preceding days, when the procedure for fixing the charge was still under way;

(e) Finally, aubergines and courgettes are included in the list of products covered by the quality standards referred to in Articles 2 to 12 of the basic regulation;

2. The measures proposed by the Commission certainly represent an improvement on the existing organization of the market in fruit and vegetables and the Committee on Agriculture is therefore able to approve them without reservation.

Leaving aside the exclusively technical amendment relating to the conversion of prices from u.a. to ECU, the following comments may be made on the other four amendments;

3. The fixing at Community level of the quantity of products which producers belonging to associations may market directly will help to strengthen the market by increasing the concentration and improving the organization of supply, since individual associations will no longer be able to decide the quantity which their members may sell directly. At present the various associations handle this in different ways, which causes greater confusion on the market, which in turn is detrimental to the producers;

4. The amendment to the rules on the withdrawal of the countervailing charge on imported fruit and vegetables is in line with the strengthening of the reference price system frequently advocated by the European Parliament. Parliament¹ has already pointed out the problems arising, firstly, from the system's lack of flexibility, which means that reaction to imports with unusually low prices is somewhat delayed, sometimes even until the Community market has already collapsed, and, secondly, from the fact that the countervailing charge is not automatic and that it is withdrawn as soon as the entry price approaches the reference price once more, whereas it should be maintained for a longer period to constitute an effective deterrent.

The measure now proposed by the Commission at the Council's express request therefore represents an important step in the direction already recommended by the European Parliament;

¹ See for example the LIGIOS report, Doc. 467/77, on the effects of the Mediterranean policy on Community agriculture, p. 26 ff.

However it is clear that this amendment is not sufficient by itself to make the reference price system effective: the problems indicated above can only be avoided by an automatic system which is fixed in advance, that is, one which is not based on a retrospective survey of market prices but on rules similar to those in force for other common organizations of the market.

The Commission and the Council of Ministers should work for a solution along these lines and should overcome present obstacles, which are political rather than technical in nature.

5. Equally opportune is the proposal to extend the list of beneficiaries of products bought in by intervention agencies.

The controversy on the destruction of surplus fruit and vegetables at the Community's expense has been publicized in newspapers everywhere and it is therefore extremely appropriate that such products should be used for social purposes and distributed to organizations designated by the Member States.

The cost of this measure is minimal - no more than 50,000 EUA per year - in comparison with the immeasurable moral damage caused to the common agricultural policy and to the Community as a whole by the destruction of these products;

6. Finally, the inclusion of courgettes and aubergines among the products covered by quality standards should be approved, since these standards help to eliminate substandard products from the market, thus benefitting consumers, and at the same time favour trade and create greater market transparency. These two products join sweet peppers and leeks, which were added to the list in 1976 and 1979 respectively.

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OPINION OF THE COMMITTEE ON BUDGETS

Letter from the acting chairman to Sir Henry PLUMB, chairman of the Committee on Agriculture

Luxembourg, 28 January 1980

Subject: Opinion of the Committee on Budgets on a proposal for a Regulation amending Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables (Doc. 573/79)

Dear Sir Henry,

At its last meeting in Brussels on 24/25 January the Committee on Budgets delivered a favourable opinion on this proposal for a regulation, having noted that the financial implications of the proposal are modest, placing a charge of only 50,000 EUA on the budget. This opinion was delivered unanimously.

Yours sincerely,

Harry NOTENBOOM
Acting Chairman

