

European Communities

EUROPEAN PARLIAMENT

Working Documents

1984-1985

4 March 1985

DOCUMENT 2-1770/84/A

Report

drawn up on behalf of the Committee on Agriculture,
Fisheries and Food

on the proposals from the Commission of the
European Communities to the Council (Doc. 2-1747/84 -
COM(85) 50 final) for regulations fixing the prices
for certain agricultural products and related
measures (1985/86)

PART A: MOTION FOR A RESOLUTION

Rapporteur: Mr P.-B. PRANCHERE

By letter of 18 February 1985, the President of the Council of the European Communities requested the European Parliament to deliver an opinion, pursuant to Article 43 of the EEC Treaty, on the proposals from the Commission of the European Communities to the Council on the fixing of prices for agricultural products and related measures (1985/1986).

The President of the European Parliament referred these proposals to the Committee on Agriculture, Fisheries and Food as the committee responsible and to the Committee on Budgets, Committee on Development and Cooperation and the Committee on the Environment, Public Health and Consumer Protection for an opinion.

At its meeting of 30 October 1984, the Committee on Agriculture, Fisheries and Food appointed Mr Pranchère rapporteur.

At its sitting of 13 September 1984, the European Parliament referred the motion for a resolution tabled by Mr N. Pisoni and others on the restrictions on milk production (Doc. 2-543/84) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture, Fisheries and Food.

At its sitting of 9 October 1984, the European Parliament referred the motion for a resolution tabled by Mr Stirbois on problems in the cereals sector (Doc. 2-553/84) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture, Fisheries and Food as the committee responsible and to the Committee on Budgets and the Committee on External Economic Relations for an opinion.

At its sitting of 9 October 1984, the European Parliament referred the motion for a resolution tabled by Mr Musso on the failure by certain Member States to observe the principle of Community preference (Doc. 2-558/84) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture, Fisheries and Food as the committee responsible and to the Committee on Legal Affairs and Citizens' Rights for an opinion.

The committee decided to include these three motions for resolutions in the present report.

At its sitting of 23 October 1984, the European Parliament referred the motion for a resolution tabled by Mr Debatisse and others on exemption from the milk quota scheme for mountain and less-favoured areas (Doc. 2-714/84) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture, Fisheries and Food as the committee responsible and to the Committee on Regional Policy and Regional Planning for an opinion.

At its meeting of 20 November 1984, the committee decided to include this motion for a resolution in the present report.

At its sitting of 23 October 1984, the European Parliament referred the motion for a resolution tabled by Mr Roux on the need to find a solution to the serious problems affecting the fruit and vegetable sector and Mediterranean agricultural products in general (Doc. 2-747/84) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture, Fisheries and Food as the committee responsible and to the Committee on External Economic Relations and the Committee on Regional Policy and Regional Planning for an opinion.

At its meeting of 31 October 1984, the committee decided to include this motion for a resolution in the present report.

At its sitting of 20 October 1984, the European Parliament referred the motion for a resolution tabled by Mr Cottrell on agricultural prices (Doc. 2-814/84) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture, Fisheries and Food as the committee responsible and to the Committee on Budgets for an opinion.

At its sitting of 13 November 1984, the European Parliament referred the motion for a resolution tabled by Mr Stirbois on the industrial consequences of milk quotas in France (Doc. 2-878/84) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture, Fisheries and Food as the committee responsible and to the Committee on Social Affairs and Employment and to the Committee on Regional Policy and Regional Planning for an opinion.

At its meeting of 20 November 1984, the committee decided to include these two motions for resolutions in the present report.

At its sitting of 12 December 1984, the European Parliament referred the motion for a resolution tabled by Mr Paisley on the milk quota scheme (Doc. 2-1111/84) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture, Fisheries and Food as the committee responsible and to the Committee on Regional Policy and Regional Planning for an opinion.

At its meeting of 17 December 1984, the committee decided to include this motion for a resolution in the present report.

At its sitting of 11 February 1985, the European Parliament referred the motion for a resolution tabled by Mr Happart on the cereals harvest (Doc. 2-1248/84/rev.) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture, Fisheries and Food as the committee responsible and to the Committee on Budgets for an opinion.

The committee decided to include this motion for a resolution in the present report.

The Committee on Agriculture, Fisheries and Food considered the Commission's proposals and the draft report at its meetings of 23/24 January, 31 January / 1 February, 12 February and 26/27 February 1985.

At the last meeting, the committee decided by 27 votes to 7 to recommend to Parliament that it reject the Commission's proposals.

The Commission has not yet adopted a position on this decision.

The Committee on Agriculture, Fisheries and Food then adopted the motion for a resolution as a whole by 27 votes to 7.

The following took part in the vote: Mr Tolman, chairman; Mr Eyraud, Mr Graefe zu Baringdorf and Mr Mouchel, vice-chairmen; Mr Pranchère, rapporteur; Mr Adamou, Mr Barrett (deputizing for Mr Fanton), Mr Borgo, Mr Clinton, Mr Dalsass, Mr Debatisse, Mr Ebel (deputizing for Mr Bocklet), Mr Früh, Mr Gatti (deputizing for Mr Mac Sharry), Mr Happart, Mrs Jepsen, Mr Louwes (deputizing for Mr B. Nielsen), Mr Maffre-Baugé, Mr Maher, Mr Marck, Mrs S Martin, Mr Musso, Mr F. Pisoni, Mr N. Pisoni, Mr Remacle (deputizing for Mr Sutra), Mr Romeos, Mrs Rothe, Mr Rossi, Mr Späth (deputizing for Mr Mertens), Mr Stavrou, Mr Thareau, Mr Vernimmen and Mr Wettig.

The Committee on External Economic Relations, the Committee on Legal Affairs and Citizens' Rights, the Committee on Social Affairs and Employment and the Committee on Regional Policy and Regional Planning decided not to deliver opinions on the various motions for resolutions.

The opinions of the Committee on Budgets, Committee on Development and Cooperation and the Committee on the Environment, Public Health and Consumer Protection will be published separately.

The report was tabled on 28 February 1985.

The deadline for tabling amendments to this report will be indicated in the draft agenda for the part-session at which it will be debated.

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

A.

MOTION FOR A RESOLUTION

closing the procedure for consulting the European Parliament on the proposals from the Commission of the European Communities to the Council on the fixing of prices for agricultural products and related measures (1985/1986).

The European Parliament,

- having regard to the proposals from the Commission to the Council (COM(85) 50 final)
- having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 2-1747/84),
- having regard to motions for resolutions Doc. 2-543/84, Doc. 2-553/84, Doc. 2-558/84, Doc. 2-714/84, Doc. 2-747/84, Doc. 2-814/84, Doc. 2-878/84, Doc. 2-1111/84 and Doc. 2-1248/84/rev. tabled pursuant to Rule 47 of its Rules of Procedure,
- having regard to the report by the Committee on Agriculture, Fisheries and Food and the opinions of the Committee on Budgets, the Committee on Development and Cooperation and the Committee on the Environment, Public Health and Consumer Protection (Doc. 2-1770/84),
- having regard to the result of the votes on the Commission's proposals,
 - A. having taken note of the report on the situation of agriculture in the Community in 1984,
 - B. having taken note of the report of the Court of Auditors of the European Communities in response to the conclusions of the European Council of 18 June 1983¹,

¹ OJ C 287 of 24.10.83

- C. having regard to the trend in agricultural incomes and production costs in recent years,
- D. recalling that from 1970 to 1983 Community agriculture lost 4 million jobs, which means that one agricultural job was lost every two minutes,
- E. whereas the priority task of the CAP must be to protect and further the family farm, and other aims of the Stresa Conference;
- F. whereas, in the countries with a considerable farming population, it is extremely important to guarantee the level of agricultural income in the interests of the smooth course of political life and social peace;
- G. whereas agriculture is an essential economic, commercial and social asset for Europe and constitutes moreover an indispensable activity for keeping certain regions properly alive and defending the environment,
- H. whereas the productivity gains achieved by farmers by dint of their work and their investment have been greater than those achieved in the economy as a whole but have brought fewer benefits to farmers than to businesses supplying their inputs and purchasing their produce,
- I. whereas the percentage of expenditure on food is continuing to fall as a proportion of overall consumer expenditure and the increase in farm prices to the producer has a limited effect on inflation and household budgets,
- J. whereas, in particular, the consumer prices of food products in the EEC have risen in line with the general rise in prices whereas in other OECD countries they have generally risen faster than the prices of other products and services,
- K. drawing attention to the fact that the share of agriculture in the general budget of the Community is so big because agriculture is the only truly integrated European policy for which there has been a genuine transfer of competence and financial resources from the Member States to the European Institutions,
- L. whereas the present developments in the political sphere, namely budgetary discipline and the restrictive market mechanisms such as quotas and production thresholds to which the Commission and the Council want to subject the common agricultural policy, does not augur well for the future of this policy unless there is a rapid return to the spirit behind Article 39 of the EEC Treaty,
- M. understanding the apprehensions of farmers as regards the implications of enlargement for their products and the economy in their regions,

N. whereas an effective price policy is possible only in conjunction with an active European structural, social and regional policy in order to prevent necessary production restrictions from being implemented to the detriment of small farmers, producers in less-favoured areas and producers in countries with relatively high rates of inflation,

GENERAL OBSERVATIONS

1. Notes that the Community, in particular in the agreement of 31 March 1984 endorsed at the European Council meetings in Fontainebleau and Dublin, has imposed significant sacrifices on farmers without any compensation with the aim of reducing agricultural production and expenditure (financial levies, reduced prices and aids, guarantee thresholds and quotas, restrictive management of markets);
considers that the price decisions for the 1985-86 year should contribute to rectifying this imbalance and should form part of a more general approach to the future of the CAP and offer farmers proper prospects for the future;
2. Takes note of the statements by the President of the Commission before the European Parliament on 14 January 1985 on the CAP to the effect that it was time to recall the three great principles of the Treaty and to add thereto the common commercial policy, and considers that they are at variance with the attitude shown by the Commission in its price proposals for 1985-86;
3. Expresses deep concern at the lack of uniform criteria for price proposals, since insufficient consideration is given to guaranteeing farmers' incomes;
4. Rejects the proposals to reduce the target prices and guide prices of the various products since this means reducing the entry price and hence Community preference;
considers that these proposals create unilateral concessions benefiting our main trading partners and will not lead to any reduction in agricultural expenditure;
5. Emphasizes that the objectives of Article 39 of the EEC Treaty remain as valid as ever in this period of crisis and must consequently be respected;
6. Deems it necessary also to apply the fundamental principles of the CAP - unity of prices and markets, Community preference and financial solidarity - and to limit the excessive number of derogations which are a major cause of the current difficulties of Community agriculture;
7. Points out that 51% of the Community's imports involve agricultural products subject to market organization, i.e. products which the EEC is able to produce itself;
8. Considers therefore that possibilities exist for exploiting the Community's agricultural potential, priority being given to sectors in deficit, for food production but also for other uses (energy, biotechnology, etc.);

9. Requests therefore that the Commission submit practical proposals aimed at orientating some sections of production towards deficit sectors or other uses, in particular industrial uses, and that it draw the appropriate budgetary conclusions;
10. Points out that any reduction in farming activity has serious implications in terms of employment at a time when the EEC already numbers 13 million jobless; notes that the cost of unemployment (40,000 million ECU per year) is twice that of Community agricultural expenditure;
11. Considers it necessary to take greater account of the importance of farming for the jobs it generates in industries upstream and downstream and services;
12. Again emphasizes the importance of an agricultural structures policy and requests that a decision at last be taken by the Council on the basis of the recommendations in the reports by Mr Thareau (Doc. 1-923/83),¹ Mr Dalsass (Doc. 1-184/82)², Mr Bocklet (Doc. 1-50/84)³, and Mr Provan (Doc. 1-113/84)³; lays particular stress on the importance of the structural measures for the establishment of young farmers proposed in the report by Mrs Martin (Doc. 1-922/83)⁴;
13. Calls on the Commission to propose without delay alternative uses for land where farmers are being forced to cut back production of food which is in surplus;
14. Stresses that the market policy must also help to remedy the serious disparities between Community regions;
15. Urges in particular that the Integrated Mediterranean Programmes be set in motion immediately and emphasizes that market measures must become an integral part of the projects envisaged in these programmes;⁵

BUDGET AND RESOURCES

16. Notes that between 1973 and 1983 the net cost of the EAGGF, Guarantee Section, increased in real terms at the rate of 1.9% per year; notes that the burden of net agricultural expenditure represented only 0.55% of Community GDP in 1983, a comparable figure to other developed countries and acceptable from the point of view of EEC food supplies and independence;

¹ OJ C 342, 19.12.1983

² OJ C 182, 19.7.1982

³ OJ C 127, 14.5.1984

⁴ OJ C 10 16.1.1984

⁵ EP resolution of 29.3.1984, OJ C 117, 30.4.1984

17. Stresses also that the expenditure directly attributable to agriculture represents less than 60% of the budget and that it is artificially swollen by the many derogations from Community preference (estimated at between 2,000 and 4,000 million ECU by the Court of Auditors);
18. Considers however that the other policies should not be strengthened at the expense of agriculture but, on the contrary, calls for the Community's resources to be increased;
19. Is in favour of controlling and restoring balance to agricultural spending while safeguarding the basic principles and considers that the agricultural policy cannot be allowed to become a mere by-product of budgetary policy;
20. Draws attention to the contradiction between the principle of budgetary discipline which sets a financial framework for market support expenditure and the basic principle of agricultural spending which is compulsory in nature since it results from the regulations in force and the quantities produced;
stresses in particular that it is not possible, without creating a feeling of total insecurity among producers, to allow agricultural regulations to depend on arbitrary factors such as climate, which has a crucial influence on the level of production, in order to keep within the framework set by budgetary discipline;
21. Declares also that budgetary discipline is at variance with the principle of financial solidarity since the restriction of income support may encourage the richest Member States to resort to national measures in support of their producers, which would only accentuate income disparities and lead to the destruction of the CAP;
22. Welcomes the rejection of the 1985 budget for the essential reason that it did not cover agricultural expenditure for 12 months;
- will remain vigilant as regards manoeuvres made to exploit rejection of the budget in order to influence the fixing of agricultural prices,
 - stresses that the Treaty, with the system of provisional twelfths, enables the agricultural regulations to be implemented normally;
23. Expresses the desire, however, that the 1985 budget be adopted rapidly in accordance with the wishes of the European Parliament and with new resources covering needs for the whole of the financial year,

24. Emphasizes the positive effects on the budget of more scrupulous respect for Community preference;

COSTS AND INCOMES

25. Recalls that one of the fundamental objectives of the Treaty is to 'ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture'; considers that the price machinery alone is not an adequate basis for providing a real income guarantee in the agricultural sector and should therefore be supplemented with other policy instruments;

26. Points out that the cost of the means of production rose faster during the period 1979-1983 than producer prices and that this trend is even more marked if account is taken of the increase in these costs in 1984 by comparison with 1983;

27. Notes that Community agricultural incomes, measured by the net added value indicator, which fell by 7% in 1983, rose by 3.8% in 1984, mainly because of exceptional harvests in certain sectors (cereals and oilseeds) and the sale of livestock in compliance with the milk quotas, but notes that incomes are still lower than those received in the period 1973-1974-1975;

28. Stresses that this indicator conceals wide disparities not only between Member States (from -7% to +20%) but even between regions and between farms, according to economic size and the various types of production;

29. Notes that the Commission is forced to acknowledge the deterioration of the disparities in agricultural incomes which, if the 'regional', 'type of production', 'economic size' and 'farm management' effects are combined, show a range of 1 to 40; requests the Commission to give further and more intensive study to the causes of these disparities and to study the effects of the CAP machinery on regional disparities and to submit proposals for reducing them;

30. For the immediate future, recommends that greater account should be taken of the proposals contained in the Maher report (Doc. 1-1327/82)¹ on the level of incomes in agriculture, which may help to remedy these disparities;

¹ OJ C 184 of 11.7.1983

AGRICULTURAL PRICES

31. Emphasizes that prices must remain an essential instrument in the provision of fair incomes pursuant to Article 39 of the EEC Treaty; considers however that pricing policy cannot meet the requirements of both rising farm costs, production guidance and the organization of agricultural markets;
32. Recognizes the unsatisfactory nature of the price mechanism alone for controlling production and the very serious hardship caused to smaller producers, particularly those in disadvantaged areas, as a result of price cuts;
33. Notes that the Commission's price proposals are directly in line with the agreements of 31 March 1984 and represent a price reduction or price freeze for a large majority of products, especially Mediterranean ones; considers these proposals to be a provocation to farmers since if they were implemented unamended they would bring about a substantial fall in incomes in 1985 - from 4 to 6% - and might well lead to the renationalization of the CAP;
34. Regards the Commission's approach as inadmissible insofar as it penalizes farmers in terms of both price and volume;
35. Rejects the whole of the Commission's price proposals package; considers that an average increase of 4.5% would make it possible both to sustain or improve agricultural incomes in 1985 and to speed up the dismantling of positive MCAs, without farmers in the countries concerned suffering losses of revenue, while obviating the need for further financial compensations harmful to the smooth operation of the CAP;
36. Urges the Council to ensure that farm prices are fixed before 1 April 1985;
37. Requests also that special transitional measures be adopted for the benefit of countries with higher rates of inflation (interest rebates, loan subsidies, compensation for income lost as a result of agri-monetary measures);

AGRI-MONETARY MATTERS

38. Expresses satisfaction at the fact that the decisions of 31 March 1984 marked a return to price unity by specifying a precise and legally binding schedule for the dismantling of MCAs, but emphasizes at the same time that the mechanism introduced in fact amounts to the creation of a green ECU, aligned on the strongest currency, which may cause problems with regard to the strengthening of the ECU's role in the EMS;

39. Regards the Commission's proposal on the dismantling of positive MCAs as acceptable; requests the complete abolition of negative MCAs, including in certain cases the neutral margins;
40. Reaffirms its opposition to the arrangements for the special aid granted to the Federal Republic of Germany by way of compensation for the dismantling of positive MCAs;
41. Considers that respect for the unity of the market will be enhanced by the strengthening of the role of the ECU and by persuading those Member States who have not joined the EMS to do so without further delay; requests the Commission to present a study on the arrangements and effects of the use of the ECU in intra and extra-Community agricultural transactions; hopes to draw up an own-initiative report on this matter;

RELATED MEASURES AND MANAGEMENT OF MARKETS

GENERAL

42. Considers that the related measures proposed by the Commission would substantially aggravate the harmful effects of its price proposals on the income of farmers;
43. Considers that these measures are not sufficiently diversified and do not take account of the size of the holdings or production conditions in the various areas; emphasizes, further, the need for measures in addition to prices to direct producers towards crops with development potential;
44. Considers, moreover, that the related measures could not effectively halt the deterioration in the market mechanism, which is particularly marked in certain sectors;
45. Rejects, therefore, the whole related measures package and submits counter-proposals designed to ensure that the prices fixed are genuinely applied and passed on to producers;
46. Takes the view that the Commission's proposal on income support for small dairy farmers of 120 m ECU should be increased to at least 250 m ECU and simultaneously made available to other small producers;
47. Insists that the Commission revert to the normal procedures for payment and that consequently, the suspension of payment for 120 days, which is equivalent to an actual reduction in prices, be abolished;

SPECIFIC MEASURES

48. Expresses its concern at the scale of stocks and withdrawals in respect of certain products, which place a burden on the budget;
49. Objects to the fact that while the EEC has a substantial deficiency in protein crops, it continues to import excessive amounts of substitute products (soya, corn gluten, manioc, etc.) and that this state of affairs not only costs the Community an enormous amount of money but is also partly responsible for existing structural surpluses;
50. Is worried by the inadequacy or unsuitability of the management measures taken by the Commission and proposes to investigate whether the criticisms expressed by the Court of Auditors in its report for the 1983 financial year are justified and whether they should be followed by measures designed to prevent the recurrence of such errors;
51. Expresses doubts about the compensatory aid system the effectiveness of which seems slight when seen against its constantly increasing budgetary cost and which is the cause of numerous management and monitoring difficulties;
requests the Commission to revise this system in order to achieve a more rational organization of markets by rectifying shortcomings in the guarantee arrangements and non-respect of Community preference;
52. Considers that the granting of direct aid should be made more dependent on improvements in production or production structures; considers, nevertheless, that in some cases, income support has an essential function, both from the social and from the environmental point of view, to prevent large areas from being abandoned and deteriorating;
53. Notes that in 1981 70% of agricultural spending went to agri-businesses; desires that the intervention mechanisms should ensure that the real beneficiaries thereof are farmers;
54. Calls on the Commission to exercise stricter control of market management by the Member States and recalls that it requested the setting up of mobile units acting on behalf of the Commission;

PROPOSALS BY SECTOR

CEREALS

55. Notes that the alignment of Community prices and world prices envisaged by the Commission has not opened any new outlets and has not curbed imports of substitute products;
56. Cannot accept the sudden application of the guarantee threshold, given that the 1984 harvest was an exceptional one and that the negotiations on imports of maize and gluten have not yet reached their conclusion; therefore rejects the Commission's proposed 3.6% price reduction;
57. Rejects the integration of durum wheat in the guarantee threshold applicable to cereals since this crop is not quantitatively in surplus; requests the Commission to encourage the production of the qualities of durum wheat required by the Community market so as to make imports unnecessary; calls on the Commission to take steps to direct the marketing of durum wheat away from those areas in which there is a surplus towards those in which there is a shortage;
58. Asks the Commission to propose measures with a view to improving the rate of utilization of Community cereals in animal feed, which has fallen sharply in recent years (from 44.9% in 1972 to 33.5% in 1982), provided that this does not create any disparities between farmers in the Community;
59. Takes the view that any tightening up of quality standards can only be carried out progressively and over a period of several years;
60. Emphasizes that the incorporation of ethanol (5%) in petrol (to replace lead as an anti-knock substance) would create an outlet for at least 15 million tonnes of cereals at Community level and would moreover yield a supply of high-protein by-products;
requests the Commission, therefore, to propose a plan for diversifying the use of cereals in areas other than foodstuffs or animal feed within one year;

SUGAR

61. Opposes the freezing of the basic price which will be further aggravated by the raising of the levy ceiling; desires that the quota system be maintained after 1986; hopes, further that the price increase on refined sugar will be passed on to the sugar-beet sector;
62. Recalls that, pursuant to the sugar protocol, the guarantee price of ACP sugar must be the subject of due negotiation taking account of 'all relevant economic factors' (in particular inflation and freight costs);
63. Stresses that the production of cane sugar in the overseas departments is small compared to Community production of beet sugar but that it plays a major part in their economies;
- asks the Commission to propose measures in the context of the new organization introduced on 1 July 1981 which take greater account of the specific characteristics of sugar-cane production;
64. Calls for the production of ethanol from sugar cane and sugar-beet to be encouraged;

WINE

65. Reaffirms the conclusions set out in the GATTI report on the wine sector (Doc. 2-1574/84)¹;
- calls for wine prices to be fixed in accordance with the provisions of Regulation 337/79, as amended on the basis of that report;
66. Insists that the principle acknowledged in 1982, whereby the price and intervention system must seek to give producers a guaranteed price, must be respected;

FRUIT AND VEGETABLES, CITRUS FRUITS

67. Rejects these proposals and requests a price increase of up to 5% according to product;
68. Wants the new 'fruit and vegetable' regulation to be supplemented by schedules for imports between Member States in order to achieve a better organization of intra-Community trade;

¹ adopted on 14.2.1985

69. Expresses concern at the sharp increase in withdrawals in respect of certain products of which the Community produces too little; notes that intervention should not represent a permanent way out and therefore sees a need for the following:

- a) a circumspect policy as regards intervention prices;
- b) an increase in marketing aid and restructuring and quality improvement measures;
- c) better arrangement of importation schedules for products from third countries;

70. Approves the Commission's proposal to strengthen the monitoring of the application of Community regulations and recommends graduating aid according to the scale of withdrawals;

OILSEEDS AND PROTEIN PRODUCTS

71. Rejects the Commission's proposed price reductions at a time when the EEC's shortfall in oilseeds and protein products is still very substantial; points out that the production of sunflower seed has been penalized although it has not even reached the 'guarantee threshold' which had been fixed;

72. Requests the Commission to promote the development of plant proteins in the Community, in particular by drawing up research programmes in this field and amending Community provisions relating to these products in such a way as to provide greater incentives.

TOBACCO

73. Rejects the Commission's price proposal and asks for an increase of 5%; stresses the importance of protecting and maintaining the cultivation of tobacco in areas where, because of weather and soil conditions, tobacco-growing is the only possible form of production and cannot be replaced by other kinds of farming;

74. Calls on the Commission to do its utmost to increase exports to third countries of varieties of tobacco for which it is difficult to find outlets on the European market;

SEEDS

75. Requests the Commission, in view of the strategic importance of the seeds sector in Community farming, to propose a redefinition of the organization of the market in accordance with the recommendations contained in the Diana report (Doc. 1-223/83)¹;
76. Stresses that the increase in imports of hybrid maize seeds may well jeopardize the future of this product in the EEC; requests the Commission to introduce safeguards ensuring greater respect for Community preference and to negotiate a change in the tariff concession relating to maize seeds in GATT.

FLOWERS

77. Requests the Council to adopt the regulation proposed by the Commission and approved by the European Parliament with a view to protecting producers more effectively against disturbances of the market caused by imports.

OILS AND FATS

78. Again insists on the need to introduce an overall oil and fats policy in the EEC; requests the Council immediately to adopt the Commission's proposal which was approved by the European Parliament (report by Mr Goerens (Doc. 1-1507/83)² on the introduction of a tax on vegetable fats;

MILK

79. Notes that in 1984 milk producers suffered a threefold penalization in that they have had to come to terms, all at the same time, with the quotas, the increase in the co-responsibility levy and a fall, in real terms, in producer prices;

¹ OJ C 184 of 11.7.1983

² OJ C 104 of 16.4.1984

80. Is in favour of controlling production and rationalizing support mechanisms but feels that greater account must be taken of the responsibility for expenditure of the various types of farm;
81. Emphasizes, in particular, that there is a direct link between the utilization of imported feedingstuffs and the increase in milk production; considers that EAGGF expenditure should favour natural production based on the processing of fodder produced on the farm;
82. Asks for a study and correction of the effects of the application of dairy quotas on young milk producers and on those who have made investments, particularly in the context of development plans;
83. Considers that, in view of the quantitative controls introduced in the milk sector, the price increase must be such as to enable the farmer to cover his increased costs, as he can no longer do so by expanding his production;
84. Rejects the Commission's price proposals and related measures based on the application of quotas and proposes the following measures with a view to controlling and restoring a balance to expenditure in the milk sector:
- a) 5% increase in the target price,
 - b) abolition of the co-responsibility levy and taxation of 'intensive farms' producing over 15,000 kg per ha of forage area, graduated according to the use of concentrated feeds,
 - c) a ceiling on support per farm throughout the Community;
85. Considers that in view of the natural handicaps of a geographical and economic nature suffered by mountain regions and less-favoured regions where the only possible production is stockbreeding and principally dairy farming and the fact that these regions have not themselves contributed to the structural surpluses by virtue of the fact that the products which they produce place very little burden on the EAGGF, the Community should make a concrete gesture of solidarity and asks that at the end of the 1985/86 marketing years mountain areas and less-favoured areas should be exempted from the dairy quota system; also calls for the updating of the amount of the special mountain allowance;
86. Calls on the Commission to give urgent consideration to the provision of new incentives for milk producers to cease milk production;
87. Recommends the continuation of the gradual dismantling of the import quota for New Zealand butter, which is all the less justifiable in that butter consumption is falling in the United Kingdom to the advantage of margarine;

88. Expresses its surprise that the Commission is encouraging the production of milk-powder and requests it to propose instead measures to encourage the use of natural milk for the feeding of calves, which would lead to substantial budgetary savings;
89. Repeats its request for the mixing of an identifying agent into milk powder for livestock uses in order to avoid frauds;
90. Draws attention to the danger of imitation milk products made from imported raw materials not subject to tax and, which are competing with natural milk products; requests effective protection against such imports;
91. Requests the Commission to encourage initiatives contributing to a better use of milk products as food aid;

BEEF AND VEAL

92. Considers unacceptable the Commission's proposal to freeze the intervention price when livestock farmers are still suffering from the repercussions of the application of milk quotas following a substantial fall in their incomes in 1984;
93. Proposes an appropriate increase in the intervention price and requests the Commission to ensure that price increases are passed on to producers by improving the intervention system, which has been constantly deteriorating in recent years;
requests in particular that during periods when the market is slack intervention should be on a continuing basis and should apply to whole carcasses;
94. Requests that the category of calves under 18 months should be included in the scale for the classification of carcasses of bovine animals;
95. Requests restrictions on preferential imports, which cost 500 million ECU in 1984, and which place a heavy burden on an already depressed market;
96. Deplores the fact that the suckler cow premium financed by the EAGGF has remained at the same level since 1982; requests that it be increased in order to offset the handicaps peculiar to this type of production which contributes to the control of excessive milk production and the provision of quality meat;
97. Calls for the reintroduction of the premium for the birth of calves;

98. Recommends that the Commission make more use of 'aid to private storage'⁰ as a complementary measure to intervention to regulate the market;
99. Requests the introduction of specific market support measures for store cattle;

SHEEPMEAT AND GOATMEAT

100. Is opposed to the freezing of the basic price of sheepmeat, of which there is still a substantial shortfall in the EEC; proposes a price increase of 7%;
101. Requests the Commission to propose immediately a full-scale renegotiation of the sheepmeat regulation on the basis of the proposals contained in the EYRAUD report (Doc. 1-236/84)¹ and of the memorandum submitted by the French Government;
102. Notes that since the introduction of the Community regulation in 1980 the United Kingdom has received 94% of the EAGGF Guarantee appropriations allocated to this sector and that it is essential to restore balance to the production and marketing conditions;
103. Calls on the Commission to ensure that British exporters of sheepmeat get no advantage that is not available to any other Member State of the Community exporting sheepmeat by way of variable premium or any other means;
104. Requests that the compensatory premium for ewes be extended to nanny goats throughout the EEC;

PIGMEAT

105. Rejects the proposal to freeze the basic price;
106. Notes that the pigmeat market may be seriously disturbed by imports from non-member countries; requests the Commission to strengthen the measures providing protection against imports;
107. Calls on the Commission to fix export refunds in such a way as to allow for an active and efficient export policy;
108. Calls on the Commission and the Council to intensify their efforts to combat the causes, and avoid the further spread, of swine-fever with a view to maintaining and expanding exports of pigmeat to third countries;

POULTRY

109. Emphasizes the seriousness of the crisis in the poultry and eggs sectors which has led to a fall in producers' incomes, a further concentration of industrial production and the closure of numerous establishments;

¹ OJ C 172 of 2.7.1984

110. Points out that poultry raising receives no price or income support of any kind from the Community;
111. Requests the setting up of a joint-trade organization for the poultry sector at Community level as called for in the motion for a resolution with request for topical and urgent debate by Mr MOUCHEL, Mr PASTY and others (Doc. 2-677/84);

BEEKEEPING

112. Recommends the prolongation of the Community aid arrangement for bee-keeping and the strengthening of the specific measures for research into diseases and the protection of bees;
113. Considers, also, that the training programme for beekeepers and the advertising and sales promotion campaigns for honey and related products should continue to be implemented with a view to increasing consumption and stimulating exports;

RELATIONS WITH NON-MEMBER COUNTRIES

114. Notes that the Community remains, by far, the world's leading importer of agricultural products, its share of world food imports being approximately 20%;
115. Observes that,
- a) between 1981 and 1983 agricultural imports rose by 12.6% while exports remained stable;
 - b) the Community's agricultural trade deficit reached 23,600 million ECU in 1983;
116. Expresses concern at the volume of imports of animal feedingstuffs, whether they be compound feedingstuffs or raw materials necessary for their manufacture, and which alone represent the equivalent of 10 million hectares;
- draws attention to the danger of dependence which these imports represent for a sector as vital as livestock rearing and consequently for the incomes of the producers concerned.
117. Invites the Commission, therefore, to open and/or continue negotiations within GATT with a view to reducing or taxing imports of oilseeds and protein products and at the same time to promote their development in the Community instead of limiting it by restrictive measures;

118. Is worried by the decisions recently taken or prepared by the United States (withdrawal from international agreements on dairy products, pressure to renegotiate the GATT agreements, Farm Bill new draft legislation, etc.) and by their repercussions on agricultural markets;
119. Invites the Commission and Council to demonstrate greater firmness in the face of such pressure and to ensure that the balance of rights and obligations between partners is not altered to the detriment of the Community;
120. Hopes that the Community will review the entire complex of its relations with third countries with a view to restoring balance to its agricultural trade, in particular with the industrialized nations, 53.2% of whose products are imported duty-free;
121. Considers that efforts must be made to prevent restrictions in the growth of agricultural expenditure in the major producing countries (particularly the United States and the Community) from leading to an international trade war with disastrous consequences for the trading partners involved;
122. Stresses the need for joint action with our main trading partners with a view to rationalizing the situation of the markets for certain products, failing which the measures taken by the various trading partners, individually will never have the desired effectiveness;
123. Takes the view that the Community must assert more strongly its role as an exporting bloc, which requires:
- a) maximum exploitation of its agricultural resources,
 - b) greater resistance to pressures exerted upon it,
 - c) strengthening of the common commercial policy with the implementation of instruments designed to meet the specific requirements of world markets (long-term contracts, export credits, etc.),
 - d) producer participation in the management of these commercial policy instruments;
124. Hopes that the Community will contribute more actively to the harmonious development of international trade and to an improvement in the situation of the developing countries by asserting itself more forcefully in the management of world markets, for example by playing a major role in the conclusion of international agreements on basic agricultural products, safeguarding the interests and markets of the developing countries;

125. Insists that any changes to the CAP must not result in any adverse effects for the developing countries;
126. Recognizes that although the final solution to the problem of hunger requires the developing countries to take full control of and to develop their agriculture, it is still a matter of urgency to ensure the security of their food supplies and to prevent a recurrence of the tragedies currently occurring in Africa;
127. Invites the Community and the Member States, therefore, to respond as a matter of urgency to the cry for help recently uttered by the FAO which believes that emergency food aid for Africa will have to be doubled in 1985, the emergency aid requirements of the 21 African countries most at risk being estimated at 6.6 m tonnes of cereals;
128. Calls on the Commission to draw up proposals for the removal of a substantial quantity of cereals from the market to provide aid for areas of the world affected by famine;
requests that the cost should be borne by the items in the budget covering development and not charged to the agriculture budget but without having an adverse effect on the fixing of cereal prices;
129. Hopes that Community food aid will, firstly, be increased and diversified by the supply of new products (low-volume feed rations) better suited to the requirements and eating habits of the people concerned and, secondly, be used more efficiently in connection with rural development projects;
130. Invites the Council to take a decision on the implementation of long-term contracts for the supply of agricultural products on favourable terms, as requested by the ACP States.

OTHER CONSIDERATIONS

131. Invites the Commission to ensure that fair conditions of competition prevail in the production sectors for which market organizations do not exist;
132. Invites the Commission to adopt measures for the organization of the market in table olives by 31 December 1985;
133. Hopes to pay greater attention to product quality; takes the view, in particular, that technical and health rules must be respected more fully in all the Member States and that they must not be used as a pretext to restrict or prevent intra-Community trade;

134. Hopes to encourage the consumption of food products by increasing private purchasing power as a result of economic revival, putting an end to the destruction of surplus produce and improving the arrangements for distributing surpluses to welfare organizations and the underprivileged;
135. Invites the Commission to submit proposals designed to encourage the production of commodities in deficit such as timber, proteins, fibres and fuel crops;
136. Calls on the Commission to submit to Parliament and the Council a report on the possible development of energy crops, in particular with a view to the introduction of lead-free petrol, on condition that the crops are not grown at the expense of Community or world food requirements;
137. Emphasizes the interest of types of agricultural development based on the utilization of a holding's natural resources; invites the Commission to promote such types of agriculture and to propose research programmes designed to reduce production costs so that agriculture may become less expensive and more independent; stresses that such programmes would also help agriculture to become more environment-friendly;
138. Emphasizes the interest of farming which does not use synthetic chemical products, commonly referred to as 'organic farming'; invites the Commission to propose Community rules for this type of agriculture so that consumers may be offered the guarantees they are entitled to expect and to enable the efforts of those farmers who have taken up this kind of agriculture to be utilized more efficiently;
139. Is worried at the excessive amount of centralization of decisions taken at Community level; looks for decentralization and better adjustment of Community Regulations to national realities;
140. Hopes that cooperation with professionals will increase and that its efficiency will be improved so that the advisory committees will not be used as an excuse by the Commission's departments but will regain their full importance;
141. Requests that the Community Institutions organize as soon as possible consultations on the future of the CAP;
142. Requests the Commission to draw up an inventory of national support measures introduced in the past two years;

143. Invites the Commission to submit new proposals which take account of the recommendations set out in this resolution;
144. Instructs its President to forward this resolution, as Parliament's opinion, to the Council and Commission.

Motion for a Resolution

tabled by Mr Nino PISONI, Mr CHIABRANDO, Mr MIZZAU, Mr GAIBISSO,
Mr FERRUCCIO PISONI and Mr POMILIO

pursuant to Rule 47 of the Rules of Procedure
on the restrictions on milk production

The European Parliament,

- (a) whereas the introduction of restrictions on milk production in order to reduce surpluses is leading to the slaughter of a considerable number of dairy cattle,
 - (b) whereas in addition to being penalized by the loss of income caused by reduced milk production, European Farmers are in danger of falling victim to speculators intending to buy up cattle destined for slaughter following the introduction of milk quotas, and thereby suffering a further fall in their income,
 - (c) having regard to the potential for increased meat consumption offered by the world market,
1. Calls on the Commission to begin buying up dairy cattle both to remove them from market speculation and to provide partial protection for the incomes of farmers who have suffered as a result of recent Community decisions;
 2. Calls also on the Commission to sponsor advertizing campaigns to promote the consumption of beef and veal in general both in Community and third countries, using funds from the EAGGF, since such expenditure is bound to be lower than the cost of any other type of initiative to dispose of the meat surpluses lying in Community stores;
 3. Instructs its President to forward this resolution to the Commission, the Council and the governments of all the Member States.

Motion for a resolution

tabled by Mr STIRBOIS
on behalf of the Group of the European Right
pursuant to Rule 47 of the Rules of Procedure
on problems in the cereals sector

The European Parliament,

- A. whereas the 1984-1985 cereals harvest promises to be an abundant one,
- B. whereas substantial surplus stocks can be expected and the marketing of this year's crop will have to be extended over a much longer period,
 1. Considers that the Community's market management machinery needs to be revised in order to maintain the price of wheat;
 2. Believes that the end-of-marketing-year allowance, which was drastically reduced at the beginning of the year, should be restored;
 3. Considers it urgent to find a system for financing carried-over stocks;
 4. Calls for a more vigorous policy on exports to third countries;
 5. Urges that restrictions be introduced on imports of cereal substitute products, particularly from the American continent;
 6. Instructs its President to forward this resolution to the Commission and the Council of Ministers.

Motion for a resolution

tabled by Mr MUSSO

on behalf of the Group of the European Democratic Alliance

pursuant to Rule 47 of the Rules of Procedure

The European Parliament,

- A - Whereas agriculture forms part of the foundations of the Community, as is laid down in Title II, second part, of the Treaty establishing the EEC,
- B - Whereas 'the operation and development of the common market for agricultural products must be accompanied by the establishment of a common agricultural policy among the Member States' (Art. 39(4)),
- C - Having regard to the goal and objectives of the Common Agricultural Policy as laid down in Article 39 of the EEC Treaty,
- D - Whereas, to achieve these objectives, a common organization of the agricultural markets has been set up in accordance with Article 40(2),
- E - Whereas this common organization 'may include all measures required to attain the objectives set out in Article 39' and in particular 'common machinery for stabilising imports' (Article 40(3)),
- F - Whereas this machinery for stabilizing imports must above all enable Community preference to be observed by the Member States,
- G - Whereas certain Member States are failing to observe the principle of Community preference,
 - 1) Requests the Commission, in accordance with its task as laid down in Article 155, first indent, of the EEC Treaty, to ensure that the Member States observe Community preference;
 - 2) Requests the Commission to use the powers and prerogatives provided for in Article 169 of the EEC Treaty in order to put an end to the serious failure on the part of certain Member States to observe Community preference whenever it establishes the occurrence of such failure;
 - 3) Requests the Commission to provide the European Parliament with a report on this matter before the end of 1984;
 - 4) Instructs its President to forward this resolution to the Commission of the European Communities.

Motion for a resolution

tabled by Mrs DEBATISSE, Mr BOCKLET, Mr DALSSASS, Mr F. PISONI, Mr FRUH, Mr BORGO, Mr MERTENS, Mr RAFTERY, Mr GAIBISSO, Mr McCARTIN, Mr COSTANZO, Mr MUHLEN, Mr IODICE and Mr MIZZAU

on behalf of the Group of the European People's Party
(Christian-Democratic Group)

pursuant to Rule 47 of the Rules of Procedure

on exemption from the milk quota scheme for mountain and less-favoured areas
The European Parliament,

- A. having regard to the natural, geographical and economic disadvantages suffered by mountain and less-favoured areas,
 - B. whereas the milk quota scheme adopted by the Council is inflexible and uniform, that is to say, it contains no specific fundamental provisions applicable to those areas,
 - C. whereas the Community has not succeeded in implementing a suitable and effective regional policy to narrow the disparities between the regions,
 - D. affirming that the areas in question have no alternatives to the production of livestock products and, in particular, of milk products,
 - E. whereas these areas are seriously affected by large-scale rural depopulation which is threatening minimum maintenance of the land; and whereas only a healthy agricultural industry will enable this objective to be attained,
 - F. whereas these areas have not played any part in the build-up of structural surpluses because of the nature of the products they produce, which are very inexpensive for the EAGGF,
 - G. whereas there is a precedent in the case of these specific areas in the form of exemption from or reductions in the milk coresponsibility levy,
 - H. whereas, bearing these facts in mind, it is the duty of the European Community to make practical gestures of solidarity,
1. Requests that at the end of the 1984/85 marketing year, less-favoured and mountain areas be exempted from the milk quota scheme;
 2. Instructs its President to forward this resolution to the Commission and the Council.

Motion for a resolution

tabled by Mr ROUX

on behalf of the Group of the European Democratic Alliance

pursuant to Rule 47 of the Rules of Procedure

on the need to find a solution to the serious problems affecting the fruit and vegetables sector and Mediterranean agricultural products in general

The European Parliament,

- A. having regard to the extremely poor yield in the fruit and vegetables sector in the 1984 marketing year, caused in particular by the weather conditions,
- B. whereas this poor yield will only reduce still further the incomes of fruit and vegetable producers in the Community and in the French administrative departments of Provence/Alpes/Côte d'Azur in particular,
- C. having regard to the serious threat to this sector from the enlargement of the Community to include Spain and Portugal,
- D. whereas Community preference is not respected in this sector,
- E. whereas fruit and vegetables, which are particularly sensitive products, are already seriously handicapped by comparison with other products, meat, milk, cereals etc. (intervention price, trigger price etc.) by the various regulations on the common organization of the market,
- F. having regard to the periods of intensive production in this sector when prices collapse,
 1. Calls for the immediate introduction of an intervention mechanism, in particular for the fruit sector, before the losses suffered by the producers become irreversible;
 2. Calls urgently for strict measures to counter unfair competition from non-Community countries;
 3. Calls for the postponement of any decision on the accession of Spain and Portugal until the Community has found acceptable long-term solutions for the sector covering fruit and vegetables, wine and Mediterranean products in general;
 4. Calls on the Commission to report to Parliament on the progress it has made in respect of these demands by the November 1984 part-session at the latest;
 5. Instructs its President to forward this resolution to the Commission and the Council.

Motion for a resolution
tabled by Mr COTTRELL
pursuant to Rule 47 of the Rules of Procedure
on agricultural prices

The European Parliament,

- A. observing with satisfaction the Commission's previously stated intention to use a combination of price restraints and quotas to control over-production in the agricultural sector,
- B. considering that the European electorate will no longer accept the consequences of massive over-production in almost every commodity governed by the Common Agricultural Policy,
- C. noting the significance of the Fontainebleau and Luxembourg accords on budgetary discipline,
- D. reminding the Commission that expenditure on agriculture consistently threatens to exhaust own resources, most particularly in 1984 and 1985,
- E. equally reminding the Commission that its major responsibility must be to the 300 million consumers in Europe,
 1. Opposes any real increase in price settlements in the agricultural sector for 1985, especially in the milk sector;
 2. Calls for a firm commitment to zero price increases in the forthcoming year;
 3. Warns that inflationary price increases in the agricultural sector will threaten budget management and financial discipline and once more sacrifice the real work of the Community to the avaricious appetite of the farm lobby;
 4. Opposes the reports that the Commission is likely to recommend a 5% price increase for EEC dairy farmers in next spring's annual price review.

Motion for a resolution
tabled by Mr SITRBOIS
on behalf of the Group of the European Right
pursuant to Rule 47 of the Rules of Procedure
on the industrial consequences of milk quotas in France

The European Parliament,

- A. having regard to the adverse effects on the French milk-processing industry arising from the introduction of quotas, which are cutting back supplies of raw materials and will, in the medium term, mean redundancy for thousands of employees,
- B. whereas these quotas are causing considerable difficulties in France for the manufacture of concentrated milk and cheeses intended for export outside the Community,
 1. Considers that this situation must not be aggravated by the introduction of new quotas;

 2. Is of the opinion that on the contrary, it is essential to establish in France a genuine milk market which would make it possible to transfer from major producing regions to other regions with insufficient production the quantities of milk necessary to sustain milk-processing on an industrial scale, with the aim of maintaining employment and honouring our export contracts;
 3. Instructs its President to forward this resolution to the Commission and Council.

Motion for a resolution
tabled by Mr PAISLEY
pursuant to Rule 47 of the Rules of Procedure
on the milk quota scheme

The European Parliament,

- A. having regard to the severe difficulties encountered by milk producers in less favoured areas such as Northern Ireland as a result of the milk quota scheme,
 - B. whereas the contribution which the dairy industry in Northern Ireland makes directly or indirectly to the gross national product is very substantially greater than the average for the other regions of the Community as recognized in the preamble to Commission Regulation 1371/84,
 - C. whereas Northern Ireland has little or no alternative to the grass-based production of milk products,
 - D. recognising the serious economic disadvantages suffered by Northern Ireland where unemployment is running at over 21% of the working population and in some towns is almost 40%,
 - E. whereas the dairy industry in Northern Ireland employs, together with its ancillary industries, some 3.5% of the working population,
1. Requests that less-favoured areas such as Northern Ireland should be exempted from the milk quota scheme;
 2. Calls on the Commission to investigate how the United Kingdom Government allocated the 63.1 million litres of milk awarded to Northern Ireland from the Community reserve under Regulation 1371/84 and why Northern Ireland received only 5.4 million litres of that amount with the remainder being distributed among the regions of the United Kingdom;
 3. Calls on the Commission to ensure that no super-levy is collected from producers in one part of the Community unless and until all other Member States have completed their quota arrangements and are collecting super-levy from their producers;
 4. Instructs its President to forward this resolution to the Commission and the Council.

Motion for a Resolution

tabled by Mr HAPPART

pursuant to Rule 47 of the Rules of Procedure

on the cereals harvest

The European Parliament,

- A. whereas the cereals harvest is estimated at 1.6 million tonnes, which represents an 8% increase on the world market,
 - B. noting the slackness of cereals sales, although Europe imports over 27 million tonnes of cereals and similar products,
 - C. whereas if existing procedures continue as they are, they will result in serious difficulties which will restrict the cereals market and have a disastrous effect on farmers' incomes,
1. Calls for:
 - (a) provision to be made for possible intervention at the end of the marketing year at the minimum reference price for wheat of breadmaking quality,
 - (b) full implementation again of year-end allowances granted on carry-over stocks held in private storage,
 - (c) restrictive management measures not to be introduced during the marketing year;
 - (d) maximum effort to promote exports which are absolutely essential in helping to prevent market collapse,
 - (e) farmers to be allowed to benefit from IFAD aid for their loans at special interest rates,
 - (f) account to be taken of individual situations where taxation is involved and, in particular, for claims in respect of damage to crops to be recognized;
 2. Instructs its President to forward this resolution to the Council, the Commission and the Ministers of Agriculture of the Member States.

