

# European Communities

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## EUROPEAN PARLIAMENT

# Working Documents

1974-1975

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14 October 1974

DOCUMENT 293/74

## Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the  
Council (Doc. 278/74) for a regulation supplementing Regulation

No 121/67/EEC as regards measures to be taken in the case of a substantial fall in  
prices for pigmeat

<sup>11</sup>  
Rapporteur: Mr Pierre BOURDELLES

PE 38.148/fin.



By letter of 27 September 1974 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43(2) of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation supplementing Regulation No 121/67/EEC as regards measures to be taken in the case of a substantial fall in prices for pigmeat.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the Committee responsible.

The Committee on Agriculture appointed Mr Bourdellès rapporteur on 3 October 1974.

It considered this proposal at its meeting of 3/4 October 1974.

At the same meeting the committee adopted the motion for a resolution and the explanatory statement by 11 votes to 5.

The following were present : Mr Houdet, Chairman; Mr Vetrone and Mr Laban, Vice-Chairmen; Mr Baas, Mr Berthoin (deputizing for Mr Liogier), Mr Brewis (deputizing for Mr Scott-Hopkins), Mr De Keersmaecker, Mr Frehsee, Mr Früh, Mr Gibbons, Mr Hansen, Mr Kavanagh, Mr Lemoine, Mr Brøndlund Nielsen, Mrs Orth, Lord St Oswald.

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A

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 supplementing Regulation No 121/67/EEC as regards measures to be taken in the case of a substantial fall in prices for pigmeat.

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM (74) 1473 final),
  - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 278/74),
  - having regard to the report of the Committee on Agriculture (Doc.293 /74),
  - having regard to the situation on the pig meat market, characterized in recent times by exceptionally high increases in production costs, abnormally low prices and the technical limitations imposed on intervention measures to relieve the market,
1. Approves the Commission's proposal
  2. Believes, that a more thorough review of market management in the pigmeat sector is required, involving the development of a more comprehensive statistical base, in order to avoid the emergence in the future of a serious market situation;
  3. Requests that the Commission, in agreement with Member States, submit proposals for the improvement of distribution networks;
  4. Instructs its President to forward this resolution and the report of its Committee to the Council and Commission of the European Communities.



EXPLANATORY STATEMENTThe Purpose of the Commission's Proposal

1. Regulation 121 of 13 June 1967<sup>1</sup> establishes, in Article 11, that when a substantial price rise is recorded on the Community market and such a situation is likely to continue, thereby disturbing or threatening to disturb the market, the necessary measures may be taken. The general rules for the application are to be adopted by the Council by a qualified majority on a proposal from the Commission.
2. The present proposal is for an adaptation of this basic regulation so that it may apply in the case of a considerable fall in prices. The Commission envisages with this proposed new paragraph measures of a mainly internal nature. That is why the previous Article 11, in the section headed 'Trade with Third Countries', is to be deleted and a new Article 19(a) in the section 'General Provisions' to be added.
3. The possible ways in which this provision may be applied can be made more evident if one compares this present proposal with a similar proposal made in the beef and veal sector.
4. Regulation No 1855 of 16 July 1974, in its Article 22(a),<sup>2</sup> amended the basic regulation on the common organization of the beef and veal sector in exactly the same manner as the presently proposed regulation amended the basic regulation on the common organization of the market in the pork sector, that is, to allow for measures to be taken when a substantial fall in prices disturbs the Community market.
5. The measures taken in the beef and veal sector are the following:
  - the sale of beef and veal at reduced prices to certain categories of consumers;<sup>3</sup>
  - an advertising and publicity campaign for beef and veal;<sup>4</sup>
  - a system of premiums for the orderly marketing of certain adult bovine animals for slaughter.<sup>5</sup>

<sup>1</sup> OJ No. 117/67, p. 2283

<sup>2</sup> OJ No. L 195/74, p.14

<sup>3</sup> Regulation (EEC) No 1856/74, 16.7.1974, OJ No. L 195/74, p.15

<sup>4</sup> Regulation (EEC) No 1857/74, 16.7.1974, OJ No. L 195/74, p.17

<sup>5</sup> Proposed Regulation, Doc. 218/74.

6. The problem is to see whether similar measures would be effective in alleviating the serious problems periodically facing the pork sector.

The Committee on Agriculture in its deliberations on those measures to be taken in the beef and veal sector has come to the conclusion that they are of limited effectiveness, especially the sale of meats at reduced prices to deprived social classes and publicity campaigns to encourage the sale of meat.<sup>1</sup>

### Conclusions

7. The Committee on Agriculture believes that it is logical to extend the scope of the present article 11 of Regulation 121/67, so that the necessary measures can be taken when a substantial fall in prices is recorded on the Community pigmeat market, as well as in the case of a substantial rise in prices.

8. The Committee on Agriculture, however, has expressed serious reservations in the past as to the utility of specific measures (such as publicity campaigns and reduced price sales) proposed for the application of a similar provision in the beef sector.<sup>2</sup>

Therefore, the Commission should undertake a more wide-ranging review of its management policies in order to arrive at a better regulation of the market. This should include the development of a more comprehensive statistical base for the drawing up of future price and management policies.

9. In addition, there are a number of limited but effective measures that the Commission could put forward: for example, aids for the improvement of the distribution networks, aids to encourage the processing of pigmeat, and the canning of pigmeat.

Subject to these reservations, the Committee on Agriculture considers that this proposal will add another instrument for the regulation of the market, limited though the Commission's intended use of it appears at present, and as such believes that it can approve this proposal.

10. It should be pointed out that the Commission has anticipated the present proposal in a previous proposal<sup>3</sup> of 12 September 1974 to extend the scope of an earlier proposal on the financing of a beef and veal campaign to include pigmeat (as well as poultry). The Committee on Agriculture, in its report drawn up by Mr Cifarelli,<sup>4</sup> withheld its approval from such an extension, considering that no useful purpose would be achieved by it.

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<sup>1</sup> See report drawn up by Mr Cifarelli, PE 38.005

<sup>2</sup> Doc. 262/74

<sup>3</sup> (COM(74) 1463 final)

<sup>4</sup> Doc. 262/74