



European Commission  
Directorate-general of Agriculture

# Newsletter

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## Focusing on food quality and safety

**On 5 March, the Commission staged a high-level round table with representatives of the agri-food industry, distributors, consumers and scientists, the theme of the meeting being a rethink of food production and food policy in terms of quality, safety and cost. This initiative was also the starting point for a wide debate on the subject in the Member States, the media and the European Parliament.**

There has been a fundamental shift in what society expects of agriculture. If it is to be viable, agriculture should be sustainable economically, environmentally and socially, and its production methods should reflect the concerns of consumers (see Newsletter No 31). Policy-makers must put food safety, quality and diversity on the agenda. Hence, this initiative, presented by Franz Fischler and David Byrne, both Members of the European Commission, was welcomed by the participants for its strategic importance.

The discussion revolved around production systems, behavioural changes in the way cost and quality are weighed against each other, the gap between the demand for quality and what the market can supply, growing sensitivity to issues of environmental protection, animal welfare and social responsibility, the necessary transparency in the production cycle and the role of the future European Food Authority in restoring consumer confidence. All these questions will be examined in a series of proposed encounters: round tables in the Member States with a view to gathering ideas on what policies should be followed; a Europe-wide televised debate and online forums; a conference with the European Parliament; a European conference of the relevant actors so that a more detailed approach can be developed; the pursuit of existing sectoral initiatives in the Member States; and support for new studies and research. On a final note, a second high-level round table is planned within 12 months.

### **BSE: special new market support measures**

On 2 March, the Commission presented the Beef and Veal Management Committee with its proposal for special market measures for beef<sup>(1)</sup>. The scheme will buy up carcasses of bovine animals over 30 months old that have tested negative for BSE and that do not fall within the categories qualifying for intervention. The scheme is intended for Member States which have full testing capacity and where the price of cows is below a trigger price (to be set for each Member State) in a two-week period. The financial compensation to farmers<sup>(2)</sup> will be funded 70% by the EU and 30% by the Member State. Once officially adopted, the scheme will apply until the end of 2001. Those Member States without full testing capacity will continue to qualify under the existing 'purchase for destruction' scheme<sup>(3)</sup> until 30 June 2001, when compulsory testing comes into force.

The new scheme proposed by the Commission is a flexible formula under which governments can offer to buy meat that farmers otherwise cannot sell. The national authorities will then be able to store the meat until the market recovers, and either give it away free or sell it following approval from the Commission. A Member State may alternatively decide to destroy the carcasses with or without prior storage, depending on its capacity to undertake destruction. No quantity limit for storage or destruction will be fixed in advance.

### **Adoption of the first supplementary and amending budget for 2001**

The first supplementary and amending budget for 2001 (EUR 971 million — see Newsletter No 31) proposed by the Commission to finance the measures to support the beef market was adopted by the Council on 12 February and by a very large majority of the European Parliament on 1 March. Parliament also asked the Commission to present proposals for a thorough reform of the common agricultural policy (CAP).

(1) Press Release IP/01/302 on the RAPID web site (<<http://www.europa.eu.int/rapid/start/welcome.htm>>).

(2) Mr Fischler reiterated the conditions under which new State aids can be approved in the Council conclusions of 26 February (MEMO/01/55 on the RAPID web site).

(3) Newsletter No 29. The aim of the 'purchase for destruction' scheme is to support the market, while ensuring that the meat of untested animals over 30 months of age (the most at risk) does not enter the food chain. Germany and Luxembourg can apply both schemes until 30 June. The United Kingdom is applying its own destruction scheme.

# Commercial measures in favour of the poorest countries

**On 26 February, the General Affairs Council approved the Commission's proposal to give the world's 48 least developed countries (LDCs) duty-free access to the EU market for all goods except arms by 2009<sup>(1)</sup>.**

The adopted regulation, which amends the Community's generalised system of preferences (GSP), provides for the abolition of customs duties and quotas on all LDC products with effect from 5 March 2001, except for the three most sensitive agricultural products: sugar, rice and bananas. Liberalisation of these products will be phased in, so allowing the EU countries concerned to adjust to the necessary changes in the common organisation of the relevant markets.

- **Sugar:** 20% reduction from 1 July 2006; 50% from 1 July 2007; 80% from 1 July 2008; duty-free no later than 1 July 2009;
- **Rice:** 20% reduction from 1 September 2006; 50% from 1 September 2007; 80% from 1 September 2008; duty-free no later than 1 September 2009;

- **Bananas:** 20% annual tariff reduction in duties on fresh bananas with effect from 1 January 2002; duty-free no later than 1 January 2006.

However, the Community is proposing an immediate opening of its market to rice and sugar from the LDCs through the creation of duty-free quotas based initially on their highest export volumes in the 1990s, plus 15%. These quotas will increase by a further 15% each year during the transitional period. In the case of bananas, on 29 January the Council adopted a new regulation<sup>(2)</sup> which maintains a transitional tariff quota scheme (see Newsletter No 28). The Commission will specify the rules for introducing tariff quotas before the start of the marketing year for the products in question. The EU will monitor the volume of imports so as to prevent sudden harmful inflows. A legal provision is also planned to monitor compliance with the rules on origin and to combat fraud. The Commission will report back to the Council in 2005, including proposals for appropriate measures, if necessary.

(1) Press Release IP/01/261 on the RAPID web site (including the list of 48 LDCs established by the United Nations) and Regulation (EC) No 416/2001 (OJ L 60, 1.3.2001).

(2) Regulation (EC) No 216/2001 (OJ L 31, 2.2.2001).

## News in brief

### □ Sapard: agreements signed with nine candidate countries

Nine of the ten applicant countries of central and eastern Europe, together with Franz Fischler, have now signed multi-annual financing agreements under the special accession programme for agriculture and rural development (Sapard): Bulgaria (18 December), Estonia, Latvia and Poland (25 January), Romania (2 February), the Czech Republic (5 February), Hungary (1 March), and Slovenia and Lithuania (5 March)<sup>(1)</sup>. Slovakia will follow shortly. The agreements govern the implementation of the Sapard programme in accordance with Community rules and make it legally possible to delegate to special agencies the management of all the EU aid paid to these countries before their accession (a measure without precedent). Annual agreements fixing the financial allocation for the first year have also been concluded with most of these countries. As the next step in transferring the funds and launching the programmes, the authorities of the countries of central and eastern Europe

must set up and certify their national Sapard bodies and the Commission must officially scrutinise their structures and procedures before it can delegate fund management to them.

(1) The relevant press releases are available on the RAPID web site. For particular information on the multiannual agreements, see Press Release MEMO/01/58.

### □ Proposal for a common organisation of the market in agricultural alcohol

On 21 February, the Commission proposed the establishment of a common organisation of the market in ethyl alcohol of agricultural origin. It would be a 'lightweight' common market organisation in that it would not provide for market intervention and so would have no impact on the Community budget. Its purpose would be to improve information on the market and enable trade in the sector to be monitored through a system of import and export licences. The Management Committee for Wine would have responsibility for this common market organisation.

(2) Press Release IP/01/238 on the RAPID web site.



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Editor: Eugène LEGUEN DE LACROIX, EC Directorate-General of Agriculture. In collaboration with the Directorates of DG Agriculture.  
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For further information: Rue de la loi 200, B-1049 Bruxelles/Wetstraat 200, B-1049 Brussel - Belgium - Office: L/130-4/148A  
Telephone: direct line (+32-2) 295 32 40, exchange (+32-2) 299 11 11. Fax: (+32-2) 295 75 40.  
Telex: COMEU B 21877. Internet: <<http://europa.eu.int/comm/agriculture/index.htm>>  
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