



European Commission  
Directorate-General for Agriculture

# Newsletter

ISSN 1560-1862

## Commissioner Fischler delivers messages on enlargement and the CAP

**As European Union enlargement becomes a reality the need to broadcast the meaning of the EU and its benefits for existing as well as new and future Member States comes sharply into focus. As part of its information efforts, the Agriculture DG organised the third in a series of conferences — this time in Sofia, Bulgaria, on 14–16 March — to explain ‘The common agricultural policy and enlargement: opportunities and perspectives’.**

Previous conferences had been held in Riga (Latvia) and Prague (Czech Republic) in 2002. The conference in Sofia brought together leading representatives from agricultural NGOs, cooperatives, industries, consumer groups, environmental organisations, universities and media, and government representatives. Speakers from the European Commission, led by Commissioner Fischler, and the European Parliament were joined by representatives of the Irish government (for the EU presidency) and the Bulgarian hosts — notably a representative of Simeon Saxe-Coburg-Gotha, Prime Minister of Bulgaria, and the Agriculture Minister.

### Fischler’s strong messages

Commissioner Fischler took the opportunity to deliver some very strong messages about the enlargement, underlining that:

- the accession of 10 new countries will bring about an internal market of 450 million consumers without tariff restrictions, export quotas or trade barriers. Trade between the EU-15 and the accession countries has already expanded considerably and accession will increase opportunities;
- the EU of 25 will be able to play a stronger role on world markets;
- the common agricultural policy (CAP) is being reformed, notably with enlargement in mind, with

measures being taken to back it with long-term budgetary support;

- gradually implementing the CAP in the new Member States will bring stability and other benefits to their farmers and rural areas. Special measures have been put in place to meet the needs of the new Member States, for example via rural development measures designed to improve income prospects, the rural infrastructure and competitiveness;
- it is vital, however, for administrative systems to be up and running by the 1 May enlargement date in order that those benefits are passed on, and to guarantee a Europe-wide level playing field so that all farmers can benefit from the same market opportunities.

The Commissioner thus urged the acceding countries to make renewed efforts in the coming period to build on their progress so far and to ensure that they meet future challenges. The Commission is redoubling its efforts to inform the farming and wider communities of what EU membership involves for them.

### The wider EU agricultural family

Above all, a warm welcome was extended to the EU’s agricultural family in the 10 acceding countries while Bulgaria, and other countries still engaged in the accession process, were assured of the EU’s good intentions to bring their negotiations to a successful and timely conclusion. Commissioner Fischler emphasised that the Commission will continue to work resolutely to pave the way for Bulgaria and others to approach EU membership, offering administrative and financial assistance and enhanced trading opportunities.

Full conference proceedings can be found at: [http://europa.eu.int/comm/agriculture/events/sofia/index\\_en.htm](http://europa.eu.int/comm/agriculture/events/sofia/index_en.htm)

## New market prospects report sheds light on impact of CAP reform

**Following the June 2003 CAP reform agreement the Commission’s first assessment of its potential impact on markets and on farmers’ incomes has been eagerly anticipated. On 23 March the Agriculture DG published an update of its report *Medium-term prospects for agricultural markets and income in the European***

***Union 2003–10* <sup>(1)</sup>. The update incorporates the CAP reform impact and offers a perspective across the EU-15 and the EU-25.**

The report summarises the results of medium-term projections in the current EU (in a non-enlargement scenario) and the enlarged EU of 25 Member States. The

<sup>(1)</sup> See [http://europa.eu.int/comm/agriculture/publi/caprep/prospects2003b/index\\_en.htm](http://europa.eu.int/comm/agriculture/publi/caprep/prospects2003b/index_en.htm)

Agriculture DG's modelling tools were already used for the impact assessment of the CAP reform proposals produced in March 2003.

The main message of the report is that the medium-term prospects for the cereals, meat and dairy markets appear relatively favourable. Implementation of CAP reform should help improve the market balance for most commodities with minimal impact on farmers' incomes. The reform impact is more marked in particular sectors such as rice and rye.

Prospects on cereal markets are relatively favourable as cereal stocks would show a slight decline over the medium term linked to the projected modest growth in domestic production and the implementation of the new import regime. Compared with the continuation of Agenda 2000, total EU cereal production could decline slightly (0.6 %). In the short term, the after-effects of last year's drought will dominate.

The outstanding finding in the livestock sector is that beef consumption has almost fully recovered from the

second BSE crisis and is projected in 2003 to be higher than production for the first time in over 20 years. CAP reform should encourage more extensive production, helping balance the market and raise producer prices by up to 8 % (over Agenda 2000 levels) by 2010. Other meat markets are projected to recover over the medium term from current difficulties. The dairy market, while subject to price falls initially, should become more stable with increasing cheese production and consumption and lower availability of butter and skimmed-milk powder.

The report also highlights the continuing need for the accession countries to restructure their agricultural and food industries, particularly in the animal production sectors, so that they may compete fully on the EU single market. The report is optimistic that the new Member States will build on progress achieved so far. It sees positive gains in efficiency and significant improvements in income (compared with 2002). A new prospects report, looking at the 2004–11 period, should be published in the summer of 2004.

## News in brief

### □ Third-country use of 'traditional expressions' on wine labels

The Commission adopted modifications to its wine labelling regulation <sup>(1)</sup> on 23 February. The aim is, among others, to clarify rules covering use by third countries of 'traditional expressions' on wine labels (i.e. terms used traditionally to designate quality wines and which refer to production or ageing methods, colour, quality, etc.). Two categories of traditional expressions are now merged into one. Third countries will be allowed to use them only if they comply with a set of strict conditions equivalent to those existing for Member States.

In order to be able to use these expressions in the EU market a third country has to prove that:

- the traditional expression in question is defined by either applicable rules or by rules laid down by representative producer organisations in the third country in question;
- the term to be protected is specific, distinctive and/or enjoys a reputation in the third country in question;
- the term has been used for at least 10 years in the territory of the third country;
- the rules of the third country concerning the term in question do not mislead the consumer regarding the term.

Commissioner Fischler stated that 'The nature of the conditions which have to be fulfilled by third countries for the use of EU traditional expressions, and the watchdog role of the Commission and the Member States in examining their requests, constitute a guarantee against any abusive use'. He added that the Commission was concerned to enhance conformity with TRIPs <sup>(2)</sup> and GATT commitments.

### □ Fischler's 'shadow'

When the EU enlarges to 25 Member States on 1 May 2004 the Commission will need to integrate 10 new Commissioners. As the existing Commission remains in place until 31 October 2004 the new Commissioners will not have portfolios of their own to manage. Accordingly they will be 'twinned' with a current Commissioner. Franz Fischler's associate will be Sandra Kalniete, a former Minister for Foreign Affairs of the Republic of Latvia. She has served as Ambassador of her country to France, to Unesco and to the United Nations in Geneva. She has been awarded, *inter alia*, the *Commandeur de la Légion d'Honneur* (France) in 2001 and the *Commandeur dans l'Ordre des Palmes académiques* (France) in 2002.



The new Commissioners will take a full part in decision-making, from 1 May, and will each have a three-person cabinet of advisers to assist them.

### □ CAP reform

Details on successful completion of work on two regulations regarding implementation of the reform of the CAP will be published in the May issue of the Newsletter.

<sup>(1)</sup> Commission Regulation (EC) No 753/2002 of 29 April 2002 (OJ L 118, 4.5.2002).

<sup>(2)</sup> WTO Agreement on trade-related aspects of intellectual property.

