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Working Documents

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DOCUMENT 1-279/82

REPORT

drawn up on behalf of the Committee on Agriculture

on the proposals from the Commission of the
European Communities to the Council for

- I. a regulation amending Regulation (EEC) No.1035/77 on the common organization of the market in fruit and vegetables as regards producers' organizations
- II. a regulation amending Regulation (EEC) No.1035/77 on the common organization of the market in fruit and vegetables
(Doc. 1-674/81 - COM(81) 403 final)
- III. a regulation amending Regulation (EEC) No.1035/77 as regards preventive withdrawals of apples and pears
(Doc. 1-231/82 - COM(82) 194 final)

By letter of 27 October 1981 the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the Treaty establishing the EEC, to deliver an opinion on:

- a proposal for a Council regulation amending Regulation (EEC) No.1035/72 on the common organization of the market in fruit and vegetables;
- a proposal for a Council regulation amending Regulation (EEC) No.1035/72 on the common market in fruit and vegetables as regards producers' organizations.

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

At its meeting on 24 and 25 November 1981, the Committee on Agriculture appointed Mr Maffre-Baugé rapporteur.

By letter of 7 May 1982, the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the Treaty establishing the EEC, 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 as regards preventive withdrawals of apples and pears.

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. The Committee on Agriculture decided to include this new proposal in Mr Maffre-Baugé's report.

It considered these proposals and the draft report at its meetings of 24 and 25 November 1981, 31 March and 1 April, 27 and 28 April and 17 and 18 May 1982.

At the latter meeting the committee decided by 24 votes to 6 with 2 abstentions to recommend that Parliament should adopt the Commission's proposals subject to the amendments set out below.

The Commission stated at the meeting of the Committee on Agriculture that it had not adopted a position on the amendments submitted.

The Committee on Agriculture then adopted the motion for a resolution as a whole by 24 votes to 6 with 2 abstentions.

The following took part in the vote: Mr Curry, chairman; Mr Früh, Mr Colleselli and Mr Delatte, vice-chairmen; Mr Maffre-Baugé, rapporteur; Mr Adamou, Mr Clinton, Mr Dalsass, Mr Eyraud, Mr Goerens (deputizing for Mrs Martin), Mr Helms, Mr Hord, Mr Kaloyannis, Mr Kirk, Mr Ligios, Mr Maher, Mr Marck, Mr M. Martin (deputizing for Mr Vitale), Mr Mertens, Mr Mouchel, Mr Narducci (deputizing for Mr Diana), Mr Papapietro, Mrs Pery (deputizing for Mr Gautier), Mr Pranchère, Mr Provan, Mrs Rabbetghe (deputizing for Mr Bocklet), Mr Stella (deputizing for Mr d'Ormesson), Mr Sutra, Mr Thareau, Mr Tolman, Mr Vgenopoulos and Mr Woltjer.

The opinions of the Committee on Budgets are attached.

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

I. Commission proposal amending Regulation (EEC) No. 1035/72 on the common organization of the market in fruit and vegetables as regards producers' organizations

Amendments

Commission text

Article 1

Article 13 of Regulation No. 1035/72 is hereby amended to read as follows:

Article 13

1. For the purposes of this Regulation, 'producers' organization' means any organization of fruit and vegetable producers which is formed on the producers' own initiative for the purposes, in particular:
 - of promoting the concentration of supply and the stabilization of prices at the producer stage in respect of one or more of the products referred to in Article 1; and
 - of making suitable technical facilities available to producer members for presenting and marketing the relevant products and which requires the member producers:
 - to sell their total output of the product or products by reason of which they have become members through it; the organization may, however, waive this requirement in respect of certain quantities;

Amendment No. 1

The third indent to read as follows:

- to sell their total output of the product or products by reason of which they have become members through it or through enterprises bound by contract; the organization or the enterprises bound by contract may however waive this requirement in respect of certain quantities;

Amendment No. 2

The fourth indent to read as follows:

- to apply, with regard to production and marketing, rules which have been adopted by it or in consultation with an enterprise bound by contract with a view to improving product quality and adapting the volume of supply to market requirements; and
- to apply, with regard to production and marketing, rules which have been adopted by it with a view to improving product quality and adapting the volume of supply to market requirements; and

Amendment No. 3

The fifth indent to read as follows:

- to provide the information on harvests and supplies requested by it or in consultation with the enterprise bound by contract.
- to provide the information requested by it on harvests and supplies.

Amendment No. 4

The first indent to read as follows:

- shall not exceed, for the first, second, third, fourth and fifth year respectively, 5%, 5%, 4%, 3% and 2% of the value of the production marketed under the auspices of the producers' organization or by enterprises bound by contract;

Article 2

Article 14 of Regulation No.1035/72 is hereby amended to read as follows:

Article 14

1. Member States may grant to recognized producers' organizations aid in respect of the five years following the date of their recognition, to encourage their formation and to facilitate their administrative operation. The amount of such aid:
 - shall not exceed, for the first, second, third, fourth and fifth year respectively, 5%, 5%, 4%, 3% and 2% of the value of production marketed under the auspices of the producers' organization;

II. Commission proposal for a regulation amending Regulation (EEC) No. 1035/72 on the common organization of the market in fruit and vegetables

Amendments

Commission text

Article 1

Regulation (EEC) No. 1035/72 is amended as follows:

1. The following Article 15b is inserted.

Article 15b

1. In cases where

- a producers' organization or
- an association of producers' organizations having adopted the same rules,

operating in a specific economic area is considered to be representative of production and producers in that area the Member State concerned may, at the request of the organization or association, make the following rules binding on producers established in the area who do not belong to one of the organizations referred to above... (rest unchanged)

Amendment No. 5

Article 15b(1) to be amended as follows:

... of the organization or association and after consulting representatives of the trade, make the following rules binding ...

paragraphs 2 and 3 unchanged

Amendment No. 6

Article 19b(1) to be replaced by the following:

For the products referred to in Article 17a a state of serious crisis may be declared when it has been recorded on the main wholesale markets of the producer countries.

4. The following Article 19b is inserted:

Article 19b

1. Where, for one of the products referred to in Article 17a(1) and for one of the representative markets referred to in paragraph 2 of the same Article, the prices notified to the Commission in accordance with paragraph 1 of that Article remain in a Member State for two consecutive market days below the buying-in price plus 5% of the basic price and the amount defined in paragraph 6, the Commission shall without delay record that the market in the product in question is in a state of serious crisis.
The buying-in price and the basic price referred to in the preceding subparagraph shall be those valid in the Member State where the crisis is recorded.

2. unchanged.
3. unchanged.
4. unchanged.

Amendments

Commission text

Amendment No. 7

Delete Article 19b(5).

Amendment No. 8

Delete Article 19c.

Amendment No. 9

Article 24(4) to be amended as follows:

4. For all products subject to the reference price system, the prices ...
(rest unchanged)

Article 19b (continued)

5. Where, in accordance with the provisions of this Article, the Commission records a state of serious crisis for a given product, it may decide at the same time if the market situation so requires:

- to suspend the use of class III, if this class is in use,
- to adopt the measure provided for in Article 5(2) provided that class III is not in use.

These measures shall be applicable in the Member States engaged in the buying-in operations referred to in paragraph 2; they shall take account of the special situation of products held by wholesalers or which are in transit to one of the consumer centres in that Member State.

They shall cease to be applicable as soon as the Commission makes the finding provided for in paragraph 3.

6. unchanged.

7. unchanged.

5. The following Article 19c is inserted.

Article 19c

Intervention operations may be carried out pursuant to this Regulation only in respect of products which are marketed in the marketing year during which they were harvested.

6. The text of Article 24(4) is replaced by the following:

4. For tomatoes, peaches and table grapes, the prices of Community products shall also be used for calculating the entry price where, for a given product from a given exporting country, those prices are below the price of the imported product calculated in accordance with paragraph 3.

(rest unchanged)

7. unchanged.

Article 2 unchanged.

Amendments

Commission text

Amendment No. 10

8. The following products are added to Annex II:

- aubergines
- apricots
- peppers
- artichokes
- French beans

8. The following products are added to Annex II:

"Aubergines,
Apricots."

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposals from the Commission of the European Communities to the Council for

- I. a regulation amending Regulation (EEC) No. 1035/72 on the common organization of the market in fruit and vegetables as regards producers' organizations
- II. a regulation amending Regulation (EEC) No. 1035/72 on the common organization of the market in fruit and vegetables
- III. a regulation amending Regulation (EEC) No. 1035/72 as regards preventive withdrawals of apples and pears

The European Parliament,

- having regard to the proposals from the Commission of the European Communities to the Council (COM (81) final and COM (82) 194 final)¹,
- having been consulted by the Council pursuant to Article 43 of the Treaty establishing the EEC (Doc. 1-674/81 and Doc. 1-231/82),
- having regard to the report of the Committee on Agriculture and the opinions of the Committee on Budgets (Doc. 1-279/82),
- having regard to the result of the vote on the Commission's proposals,
- A - considering the importance of fruit and vegetable production in the Community, not only for producers and consumers but also for the stability of trade balances and employment in the producing Member States,
- B - considering the very great vulnerability of the market in fruit and vegetables owing to the vagaries of the weather and the perishable nature of these products,
- C - considering that goods imported indiscriminately may have serious effects on market prices and consequently on the income of producers,
- D - considering that all fruit and vegetables produced in the Community, including early potatoes are subject to marketing standards, price and intervention systems and trade regulations,
- E - considering that intervention mechanisms are applied only when the crisis has already reached the wholesale stage,

The deficiencies of the Community rules

1. Notes that Community measures for the creation of uniform market conditions, which enable producers to earn a reasonable income on the market, are inadequate and deficient;
2. Regrets that the Community rules have not given producers the guarantees of security, level of income and opportunities for development which they were entitled to expect by comparison with other production sectors;

¹OJ No. C 281 of 4.11.1981, pp. 3 and 5

3. Condemns the persistent failure of the Community rules to protect the Community market in relation to third countries and to stabilize prices, this failure being, as a result, responsible for frequent crises in the market which have serious effects on the producers and economy of the southern regions;
4. Considers that it is necessary and urgent to remedy this situation independently of any enlargement and stresses that this particularly vulnerable market must be organized immediately;
5. Welcomes the fact that the European Council has emphasised 'the need to improve the organizations of the markets in agricultural products from the Mediterranean area both as regards the income of producers and with a view to the effective and economic management of the market', and hopes that decisions will be taken rapidly;
6. Takes the view that the common organization of the market in fruit and vegetables has to establish competition rules which apply equally to producers in all Member States and ensure identical rights and obligations for all producers;

The Commission's proposals: too cautious a first step

7. Notes the Commission's first proposals, which are a valuable step forward but are still too cautious not only to be equal to any enlargement but especially to rectify the injustices and inequalities which fruit and vegetable producers in the Community have long suffered;
8. Notes that the encouragement given hitherto to groups of producers has not produced the anticipated results since the Commission overestimated the inter-trade relationship between traders and groups with regard to the management of the market; the Commission must therefore devote more attention to trade and marketing structures;
9. Approves the improvement in the system of aid to groups of producers but considers it necessary to provide the groups with credit facilities to promote marketing operations and give advances to members;
10. Hopes that the Community will decide to extend the disciplines to non-organized producers after consulting representatives of the industry in the region concerned;

¹ Meeting of the Council of Ministers for Foreign Affairs on 15 and 16 January 1982, the Council speaking on behalf of the European Council during the discussions on the mandate of 30 May.

11. Welcomes the fact that apricots and aubergines have been added to the list of products to which the price and intervention system applies and calls for the inclusion on the list of cherries, peppers, artichokes and French beans;
12. Invites the Commission to submit proposals for extending the period of application of reference prices to products already covered by this system such as tomatoes and table grapes;
13. Approves the provisions improving the procedure known as that of 'serious crisis' which place the Member States under a duty to observe the principle of unity of action as regards the production areas, but hopes that Member States will not be able to escape these duties as provided by Article 19b(4) of the Commission's proposal;
14. Considers the provisions of Article 19c to be negative since they would limit the guarantees given to producers and have a limited effect only on products suitable for storage;
15. Welcomes the fact that the price of Community products is taken into account in the calculation of the entry price which triggers off corrective amounts on imports, which should enable the difficulties met in ascertaining the effective prices of foreign products to be remedied, and requests that this procedure be extended to all products to which the reference price system applies;
16. Is concerned about the Commission's plan to abolish the system of import timetables which have shown their effectiveness and which have enabled the Community and third countries to turn to forms of agriculture which are complementary rather than competitive;
17. Hopes that the import timetable for tomatoes will be brought forward from 15 May to 1 April so as better to take account of new production methods;
18. Considers that the Commission's proposals and those promised for the future, in particular concerning the strengthening of quality standards, are insufficient to remedy the deficiencies of the present Community rules;

Proposals for the improvement of the rules

19. Requests the Commission to propose without delay further improvements to the Community rules on the basis of the following priorities:
 - (a) to give producers a profitable income;
 - (b) to enable the whole sector to develop consistently and stably;
 - (c) to avoid marketing crises;

- (d) to supply consumers with quality products at reasonable prices;
 - (e) to ensure the identical application of the production rules and disciplines in the Member States;
 - (f) to observe Community preference and have better control over imports;
 - (g) to promote the sale of products;
20. Requests the Commission to improve still further the management of the market which is based on standardization and withdrawal by:
- (a) extending the number of standardized products;
 - (b) observing standardization with regard to products marketed in the Community (including imported products);
 - (c) strengthening the withdrawal system, extending it to other products (as a priority to those which are subject to the reference price), using it as a precaution and increasing the withdrawal price;
21. Invites the Commission to decide on withdrawals at an even earlier stage in order to prevent a crisis peculiar to one Member State from spreading throughout the Community;
22. Calls for the uniform and consistent application of the above Community rules and regulations in all Member States, as the Commission must be able to ensure compliance with the rules on the domestic market through effective supervisory bodies or methods of supervision;
23. Also requests that the efficiency of the precautionary withdrawal procedure laid down in respect of apples and pears should be improved;
24. Is convinced that the efforts to improve the management of the market would be jeopardized if Community protection were not strengthened;
25. Therefore requests the Commission to enforce Community preference and control imports better by:
- (a) increasing the reference prices and making them genuine threshold prices;
 - (b) providing that safeguard measures are brought into force more automatically;
 - (c) extending the reference price to all fruit and vegetables;
 - (d) maintaining and establishing, for peaches as a priority, import timetables fixed on the basis of seasonal complementarity and re-fixing the minimum prices;
 - (e) providing for an import limit in respect of apples and pears, especially from the southern hemisphere;
 - (f) giving certain products which can be stored (for example garlic, onions, dried vegetables, hazelnuts, almonds and walnuts etc.) the opportunity to compensate for the difference between the offer price of imported products and Community products by means of a corrective amount;

26. Requests that Member States should ensure that production rules and disciplines (standardization and organization of producers) are strictly applied;
27. Notes that limiting the lists of products subject to guarantees has resulted in a shift towards products coming within the intervention system so that that system is more frequently applied and is more costly to the Community budget; therefore insists on the need to extend guarantees to new products so as to encourage diversification of production and to reduce budget costs;
28. Requests the Commission to put forward rapidly proposals for the strengthening of the rules on processed fruit and vegetables, particularly by increased observance of Community preference;
29. Hopes for the establishment of a policy of economic revival by an increase in the purchasing power of households which should help to increase the consumption of fruit and vegetables and thus to improve outlets;
30. Hopes for the establishment of a policy to improve quality and develop variety, to increase the consumption of fruit and vegetables and thus to improve outlets;
31. Considers that the best way of achieving this is to support the producers' organizations (which in some cases have yet to be set up) in creating an efficacious marketing policy;
32. Proposes that export promotion measures be introduced;
33. Considers that it is essential to encourage agri-foodstuffs industries in producing regions, as a priority cooperatives which help to adjust supply and demand, to control fluctuations and to maintain employment;
34. Demands that every effort be made to distribute fruit and vegetables withdrawn from the market to underprivileged social groups and charities as rapidly as possible or, failing this, to use them in some other way, e.g. for processing or use as animal feedstuffs; the Member States should in future ensure that intervention is dependent on the orderly use of fruit and vegetables withdrawn from the market;
35. Requests the Commission rapidly to put forward proposals for a regulation on new potatoes;
36. Requests that Mediterranean-type crops cultivated under glass in northern regions be limited, especially by the harmonization of aid;
37. Recognizes the importance of Community glasshouse cultivation but considers that it should make more use of new sources of energy (for example geothermic and solar energy);

38. Emphasizes the benefits of fruit and vegetable production to the economy of the French overseas departments and requests the Commission to propose measures for the improvement of their production, marketing, and processing conditions, particularly for aubergines from the French Antilles (establishment of a reference price or, failing this, marketing aid);

The problems of enlargement

39. Notes that the economy of the southerly regions is based and will still be based for a long time on agriculture producing essentially products for an almost self-sufficient European market;
40. Considers that the enlargement of the Community will create further problems for fruit and vegetable production in the Community and may seriously endanger exports from the Mediterranean and ACP countries to the Community;
41. Hopes that the interests of these countries and those of the Member States of the Community will be promoted through a trade policy for fruit and vegetables involving a policy of cooperation based on the mutual interests of the respective populations;

Other issues

42. Considers that technical and health regulations should be strictly adhered to throughout the Community but that they must not artificially act as a screen to restrict or prevent intra-Community trade;
43. Is astonished that Doc. COM(80) 55 to which the Commission refers is still confidential and requests that it should be forwarded immediately to Members of Parliament;
44. Hopes that consultation with those in trades and professions will be developed and that its effectiveness will be improved so that the consultative committees do not merely form an excuse for the departments of the Commission;

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45. Requests the Commission to adopt the amendments proposed in this opinion pursuant to the second paragraph of Article 149 of the EEC Treaty;
46. Instructs its President to forward to the Commission and the Council the proposals from the Commission as voted by Parliament and the corresponding resolution as Parliament's opinion.

EXPLANATORY STATEMENTI. THE IMPORTANCE OF FRUIT AND VEGETABLE PRODUCTION IN THE COMMUNITY

1. Fruit and vegetable production, which covers a wide range of products for consumption either fresh or processed, represents 11 to 12% of the value of final agricultural production in the Community. The cost of the common organization of the market in fruit and vegetables is still very low, EAGGF, Guarantee Section, expenditure varying from 4 to 6% of total market maintenance expenditure (of which 60 to 70% goes on processed fruit and vegetables) from one year to another.

2. Community fruit production, which covers an area of 1.1 million hectares, varies considerably from year to year, the average being between 19 and 20 million tonnes a year.

The main products are apples (34% of the total), pears (15%), peaches (11%) and citrus fruit (18%). Italy is the Community's main producer (48% of the total) followed by France (16%), the Federal Republic of Germany (15%) and Greece (11%).

3. Vegetable production, which covers an area of 900,000 hectares, varies from 26 to 28 million tonnes a year but is following a downward trend. Market garden production is declining as a result of urban growth, but open-grown crops, intended partly for the canning industry, and glass-house production are expanding.

The main vegetable producers are Italy (40% of the total), France (17%), the United Kingdom (13%) and Greece (13%).

4. In 1979, annual production of processed fruit and vegetables amounted to about 8 million tonnes, of which 65% was vegetables and 35% fruit. Production has increased markedly since the introduction of the system of aid provided for under Regulation (EEC) No. 516/77.

5. Most (90%) of the fruit and vegetables produced in the Community are intended for human consumption. Very little strictly industrial use is made of these products, and animal consumption is negligible, being related only to withdrawal operations.

Human consumption, which is relatively stable, amounts to 26 million tonnes of vegetables and 15.4 million tonnes of fruit (excluding citrus fruit).

It varies considerably from one country to another (see Annex) depending on purchasing power and food habits (but it is higher in the producing regions).

The Community's degree of self-sufficiency is particularly high: 94% for vegetables and 77% for fruit (other than citrus fruit).

6. Intra-Community trade in fresh fruit and vegetables represents only a very small percentage of the produce marketed: 13 to 20% for fruit and 8 to 19% for vegetables.

Extra-Community trade is generally low but it does have a considerable impact on the market. Fresh fruit and vegetable imports represent respectively 26 and 13% of Community production and exports 3% and 5%.

7. There are two million fruit and vegetable producers in the Community who, apart from being basic food suppliers, have a part to play in maintaining the equilibrium of the trade balance and employment in the producing Member States.

II. A VERY VULNERABLE MARKET

8. The market in fresh fruit and vegetables, which are perishable products, is very vulnerable. Supplies are fragmented, intermittent and very dependent on weather conditions (both as regards quantity and quality).

Demand is also influenced by the weather.

These variations have repercussions on the price level which fluctuates considerably. Prices are often determined by marginal quantities that make it possible to adapt supply to demand at any time.

In view of the vagaries of the weather and the perishable nature of the products, over-production is necessary to guarantee supplies to consumers at a reasonable price in the event of a bad harvest.

It is therefore understandable that the indiscriminate imports possible under obsolete and inadequate Community rules have serious effects on market prices and thus on producers' earnings.

9. The crisis situation in France in the summer of 1981 was a striking example of this.

A further crisis occurred in the market in early potatoes in June, which was aggravated by the attitude of certain Member States who did not hesitate to encourage anti-Community dumping.

In July and August the fruit (pears and peaches) sector was disrupted by imports which prompted producers and their trade organizations to take action that sometimes assumed violent proportions.

It is easy to understand that such violence is the reaction of those in despair at the deficiencies of the Community rules which are largely responsible for the lack of organization on the market and the increasing difficulties faced by family producers.

III. DEFICIENT AND OUTMODED COMMUNITY RULES

A. The present basic regulations

10. The common organization of the market in fresh fruit and vegetables is governed by basic Regulation (EEC) No. 1035/72 as amended by Regulation (EEC) No. 1116/81. It provides for export refunds (Article 30), financial compensation to producers' organizations for withdrawal transactions (Article 18), buying-in expenditure (Articles 19 and 19a), processing and free distribution of products withdrawn from the market (Article 21(1)), and compensation for producers (Article 21(2)). There are also special provisions for citrus fruit.

11. The common organization of the market in processed fruit and vegetables is governed by Regulation (EEC) No. 516/77 as amended by Regulation (EEC) No. 1118/81. It provides for export refunds (Article 6), processing premiums for certain products (based on tomatoes, peaches, Williams pears, prunes etc.).

B. The functioning of the common organization of the market

12. The objectives of the common organization of the market are as follows:

- to control production by encouraging the formation of producer groups through which numerous Community interventions can be channelled;
- when surpluses arise, to intervene in the market by means of withdrawal or buying-in mechanisms;
- to facilitate the access of certain Community products on to the European markets because of competition from products from third countries;

to protect the Community market through the reference price mechanism.

13. Under the common organization of the market, Community intervention is limited to certain periods and applies only to nine products which are regarded as the most important from the point of view of producers' earnings:

4 fruits: apples, pears, peaches and table grapes,

2 vegetables: tomatoes and cauliflower,

3 citrus fruits: lemons, oranges and mandarins.

14. Management of the Community market in these fresh products consists mainly of standardization (size and category) and the withdrawal mechanism which can be used only by producers' organizations¹ at times of crisis to regulate the market.

¹The withdrawal price, below which producers' organizations will not offer for sale products supplied by their members, is equal to the maximum buying-in price for Class II, plus 10% of the basic price.

During serious crises on the market, Member States may apply the buying-in mechanism. The buying-in price is between 40 and 70% of the basic price.

15. Since 1978, a system of deficiency payments in the form of processing aid granted to the processing industry has been applied to certain processed fruits and vegetables.
16. To prevent disturbances on the market due to supplies from third countries at abnormally low prices, a reference price is fixed during each marketing year for 13 particularly sensitive (fresh) products including:

6 fruits: apples, pears, peaches, table grapes, cherries
and plums,

4 vegetables: tomatoes, cucumbers, aubergines and courgettes.

The reference price serves as the basis for calculating the counter-vailing charges to be levied on imports.

17. In order to promote exports of fresh and processed products, export refunds may be granted and may be charged to the EAGGF, Guarantee Section.

C. Numerous deficiencies

18. The cost of the common organization of the market in fruit and vegetables is very low and out of all proportion to the size of Community production. Community rules on fruit and vegetables have not given producers the guarantee of security, level of income and opportunities for development which they were entitled to expect. There are few safeguards against imports and price guarantees are non-existent.

The pattern of agricultural earnings in the southern regions of the Community clearly reflects this unfortunate situation which must be remedied without delay.

19. There is less equality of competition than ever before in the fruit and vegetable sector because of the different trends in production costs, different levels of economic organization, the use of certain trade practices and the different ways in which Member States apply the rules to control production, particularly as regards standardization which is not always respected, and producers' organizations (of which there are very few in Italy for instance).
20. For this reason it often happens that a crisis in one Member State spreads to the others, creating imbalances on the market that are harmful to producers and very often thwarting their efforts to achieve economic organization.

21. The withdrawal mechanism is inadequate and outmoded as a means of regulating the market and protecting earnings. As it may be applied only 'a posteriori' in the event of a crisis, it is not designed to be a precautionary measure (except in the case of apples and pears) which would in most cases limit withdrawal. Moreover, withdrawal prices apply to too small a number of products and are generally too low since they cover less than 60% of the production cost.

22. The list of products that may benefit from such guarantees is limited in the interest of economy.

But experience shows that this has the opposite effect to that intended. In fact, producers tend to turn to the 'safest' products that come under the intervention system so that the system is more frequently applied and is more costly to the Community budget.

23. The present 'buying in' system is totally inefficient.

24. Most, indeed too much, of the cost of managing the market is borne by producers through their economic organizations.

Inequalities in the economic organization and lack of harmonization as regards the application of regulations in the Member States or even in one country, mean that the most organized producers are in the long term the most heavily penalized.

25. The only regulation on trade in processed fruit and vegetables has proved ineffective in establishing a balanced market.

Processing aid provides some advantages to some producers and processing companies but it also has serious inconveniences.

It seriously infringes the principle of Community preference.

It has assumed a form of a veiled consumer subsidy. It favours processors who, thanks to the protection afforded the final product, can, depending on their expenditure requirements and foreign competition, choose between Community and imported products.

It has also given rise to major frauds in some countries.

26. Protection against imports from third countries is particularly inadequate:

- reference prices are generally too low and apply only to a minority of products,
- the reference price mechanism is too cumbersome, the way in which it functions even reducing its effectiveness mainly because of the over-long delays in levying countervailing charges¹
- customs duties are often reduced because of numerous trade agreements concluded with countries in the Mediterranean region and as part of GATT
- the application of import timetables limiting access to the Community market to certain products from third countries is in principle satisfactory but is still too limited and restrictive; it is also a temporary measure² and the Commission intends to abolish these timetables.

27. Community rules do not take sufficient account of the special nature of fruit and vegetable products, i.e. whether they are perishable, intended for sale on the daily market or semi-storable.

28. Too little attention is given by the Community rules to the forecasting of production although it is essential to the transparency and management of the market.

29. There is insufficient control of crops grown under glass which compete directly with natural crops, particularly as regards the aid they are granted (preferential tariffs, subsidies).

¹ Reference prices are fixed on the basis of the arithmetical mean of producer prices in each Member State, taking account both of the trend in production costs and a flat rate representing transport costs between the production regions and consumption centres.

² They were scheduled for abolition before 1 January 1973 in Regulation (EEC) No 1035/72 (Article 22(2)).

IV. CONSIDERATION OF THE COMMISSION'S PROPOSALS

30. In the introduction to its proposals, the Commission mentions a background document, COM (80) 55, which contains the modifications it wants to be made to the market organizations for fruit and vegetables, olive oil and wine before Spain and Portugal join the Community.

This document is however confidential. It is, to say the least, paradoxical that the European Parliament cannot have access to information forming the basis of the proposals now submitted to it. The Commission should therefore forward all the information it has without delay to Members.

31. The Commission's proposals have been drawn up with a view to Spanish accession to the Community and aim at consolidating the Community patrimony. They cover two main topics, producer groups and the functioning of the common organization of the market.

A. Strengthening of producers' organizations

32. The Commission takes the view that for the medium term the matching of production to demand and the avoidance of marketing crises can be helped by strengthening the basic structure of producer groups and extending their coverage and disciplines. It therefore proposes:

- the establishment on a more permanent basis of launching aids for producer groups for a five-year period under conditions which are more favourable than under the present regulations,
- to allow a Member State (but not to force it) at the request of a producer group to extend the disciplines required by the group to other producers within the production area in question.

33. For instance, the amendment to Article 13 of Regulation (EEC) No.1035/72 introduces a new paragraph 2 which seeks to facilitate the recognition of producers' organizations by the Member States by laying down Community criteria (carrying out their activities effectively, keeping accounts).

In particular the Member States must inform the Commission of any decision to refuse or withdraw recognition from a producer group.

Starting on 31 March 1982, they must also submit an annual report to the Commission on how the producers' organizations operate and the quantity of production marketed through them in the various regions.

34. Article 14 has been reworded to bring it up-to-date. The Commission proposes that, in order to encourage the formation of producer groups and strengthen their role, the aid earmarked for their operation and formation should be increased and paid in annual instalments.

The Member States may grant to recognized producer groups aid in

respect of the five years following the date of their recognition in decreasing amounts equal, each year, to 5%, 5%, 4%, 3% and 2% of the value of production marketed under the producers' organization. The aid may be paid within seven years following the date of recognition of the group.

The value of the production, which determines the amount of the aid, is calculated on the basis of the annual volume marketed by the organization. Previously, it was calculated on the basis of the average production marketed by member producers in the three years before they became members. The aid received by producer groups will be 'updated'. However, the principle of annuality will be less advantageous than previously in the event of a poor harvest as it will not be possible to cushion fluctuations in the production of fruit and vegetables.

Article 14 (1 a) is again updated as producers' organizations may be formed from producers' organizations that have already received Community aid. In this case, aid is limited to the administrative expenditure incurred in connection with the formation of the organization and the drawing up of its constitutional instruments.

Article 14 (2), (3) and (4) which are already contained in Regulation (EEC) No.1035/72 require no special comment.

35. In the Commission's view, the change in the method of calculating the aid will cost an additional 0.5 m EUA. The annual cost will thus be 1.5 m EUA instead of 1 m EUA, which is a paltry amount.
36. A new Article 15 b is introduced in the Commission's second proposal with a view to extending the rules observed by a producer group to producers who are not members of the group in the economic area in question.

By 'economic area' is meant a region made up of bordering or neighbouring production zones in which production and marketing conditions are the same.

A Member State may decide to extend the disciplines at the request of a producers' organization or an association of producers' organizations representative of production and producers in the area concerned. The Member State itself may decide to extend the disciplines but it must inform the Commission which, as guardian of the Treaties, must ensure compliance with the rules of competition and the objectives of Article 39 of the EEC Treaty.

Where non-member producers are subject to the disciplines imposed by producer groups on their members, the Member State concerned may decide

that non-member producers are liable to the group for all or part of the membership fees paid by the member producers where these are used to cover the cost of applying the scheme on the market.

Lastly, the list of economic areas and the criteria relating to the representativeness of groups or associations is adopted in accordance with the management committee procedure.

37. The amendment to the functioning of producer groups also affects the common organization of the market which is also amended by the Commission's proposals.

B. Changes in the functioning of the common organization of the market

38. The Commission proposes modifying the common organization of the market in two specific areas, intervention mechanisms and import arrangements.
39. When prices may collapse despite measures taken to strengthen producer groups and when intervention measures are still necessary, the Commission would wish to avoid the risk that, in order to take advantage of any new system of withdrawal at the level of the wholesale market, products were simply diverted to the first point of sale to the wholesale market.

The new Article 17 a therefore provides for the implementation of intervention measures at the point of first sale if prices collapse on the wholesale market.

This facility applies not only to certain particularly sensitive products such as tomatoes, peaches and pears, but also to apricots and aubergines which are thus added to the list of products covered by the price and intervention system (see Annex 2 to Regulation (EEC) No. 1035/72).

40. The new Article 18a obliges Member States to grant non-member producers compensation, where the provisions of Article 15b are applied, in respect of the quantities of products covered by the price and intervention system not marketed or withdrawn from the market.

This compensation is more or less the counterpart to the financial compensation (Article 18) granted by the Member States to producer groups when they have intervened on the market in fruit and vegetables, as in the case of withdrawal.

41. The new Article 19b clarifies and supplements the so-called 'serious crisis' procedure. When, on a representative market, the price of one of the products listed in Article 17a (tomatoes, aubergines, apricots, peaches and pears) remains for two consecutive market days below the buying-in price plus 5% of the basic price and a flat rate amount covering the packaging, transport costs and wholesaler's profit margin, the Commission records without delay that the market in the product in question is in a state of serious crisis.

The products in question are then bought in by the Member States at the buying-in price laid down for Class III, provided they satisfy the requirements as to quality and sizing and that they are not withdrawn from the market by producer groups or non-member producers pursuant to Article 15b. This operation is suspended once prices remain, for two consecutive market days, higher than the buying-in price increased by the amounts indicated above.

When a significant share of production is marketed in a Member State through producer groups, that Member State may be exempted by the Commission from the obligation to buy-in in the event of a serious crisis.

The general aim of Article 19b is thus to prevent marketing of Class III products where a state of serious crisis is recorded in order to allow the price of Class I and II fruit and vegetables to rise.

42. The new Article 19c specifies that intervention operations may be carried out only in respect of products which are marketed in the marketing year during which they are harvested. The aim of this measure is to prevent intervention in the case of products (such as apples) that keep for some time.
43. The amendment to Article 24(4) corrects the inaccuracies of the existing rules. It replaces the provisions whose conditions of application could not be verified within a sufficiently short time for the subsequent measures to be properly effective by provisions allowing the prices of Community products to be automatically taken into account in the calculation of the entry prices of imported products. These provisions would not, however, apply to cucumber and summer pears, the customs duties for which are bound under GATT. They would therefore be limited to tomatoes, peaches and table grapes, the customs duties for which are not bound under GATT.
44. The amendments proposed to Article 16(4), Article 20(1) and Article 21(1) and (2) are purely editorial in nature and take account of the new paragraphs added to Regulation (EEC) No.1035/72. No special comment is needed.
45. The Commission estimates that these modifications in the common organization of the market will entail an increase of 10 m EUA in annual expenditure:
 - 7 m EUA under the new Article 18a based on the assumption that expenditure on withdrawal and buying-in will increase by 5%,
 - 3 m EUA under the new Article 19b.

V. TOO CAUTIOUS A STEP FORWARD

46. The Commission claims that its ~~three proposals~~ for regulations will consolidate Community patrimony in preparation for Spain's accession to the Community.

This is admittedly a valuable step forward but is still ~~too cautious~~ not only to be equal to any enlargement but especially to rectify the injustices and inequalities which fruit and vegetable producers in the Community have long suffered.

In itself, the small increase in agricultural expenditure on fresh fruit and vegetables (10.5 m EUA or an increase of less than 5% for 1982) is indicative of the Commission's refusal to bring about any genuine improvement in producers' earnings or better protect them against imports. The Commission itself confirms this view in its comments on the mandate of 30 May since it recommends more restrictive management of the market in fruit and vegetables. Nevertheless, there is a positive side to the Commission's proposals.

Producers' organizations

47. The improvement in the system of aid to producer groups and the possibility of extending disciplines to non-organized producers should help to improve the organization of the market but will not suffice to prevent crises.

It would however, be preferable not to decide to extend the rules until representatives of the trade have been consulted and until they have been approved by the majority of producers in the area in question.

Intervention mechanisms

48. The Commission's proposals are a constructive step forward but still do not come up to producers' expectations.

The fact that apricots and aubergines have been added to Annex II is to be welcomed, but the list of products covered by the price and intervention system is still too limited and should be extended to further products in order to spread the risks and prevent any product substitutions.

49. The provisions of the new Articles 17a and 19b improve the procedure known as that of 'serious crisis' by placing the Member States under an obligation to observe the principle of unity of action as regards the production areas through:

- the obligation to record a state of crisis caused by prices,
- the obligation to initiate buying-in operations,
- the ban on the marketing of certain qualities and sizes.

Import arrangements

50. The fact that the price of Community products is taken into account in the calculation of the entry price which triggers off corrective amounts on imports should enable the difficulties met in ascertaining the effective price of foreign products to be remedied.

This mechanism, which applies to tomatoes, peaches and table grapes, should be extended to all products to which the reference price system applies and, in particular, to cucumbers and summer pears (if necessary by being unbound by GATT).

51. In its explanatory memorandum, the Commission announces that it intends to propose extension of the reference price system to further products (apricots, artichokes, melons, green beans and lettuces) and to abolish the import time-tables which provide more effective protection. The import time-tables for tomatoes and table grapes would also be abolished. The Commission does not resume this theme in the present proposals for regulations, which do not amend Article 22 of Regulation (EEC) No. 1035/72, but its intentions remain the same.

Wider application of the reference price system is to be welcomed provided the import time-tables which enable the Community to compete with third countries are maintained.

52. These time-tables have proved effective in that they have allowed Community production to be maintained or increased and have prompted third countries to grow the same crop either before or after production periods in the EEC.

These ~~time~~ tables have prevented uncontrolled production increases in third countries at times when the Community was self-sufficient in these products.

They have thus enabled the Community and third countries to turn to forms of agriculture which are complementary rather than competitive.

53. The Commission cannot remedy these shortcomings merely by announcing that it will soon submit new proposals to the Council concerning:

- the strengthening and supervision of quality standards,
- an amendment to its proposal on the common market organization for potatoes (on which the Council has not yet taken a decision).

The Community rules must in fact be completely revised if they are to be more beneficial to producers (prices, intervention, trade, etc.) and applied to the majority of fruits and vegetables.

Proposals to this end follow.

VI. PROPOSALS FOR IMPROVING THE RULES ON FRUIT AND VEGETABLES

54. The frequent crises on the market in fruit and vegetables and their serious implications for producers have highlighted the inadequacy and deficiencies of the Community rules on fruit and vegetables.

Solutions must be found as a matter of urgency, irrespective of any enlargement, by supplementing the Commission's proposals which are still inadequate.

A. Gist of the reforms proposed

55. First of all it is essential that fruit and vegetable production should be recognized as playing a valuable role in Community supplies and in the economic and social development of certain regions.
56. It is to be hoped that consultation with those in the trades and professions will be developed and that its effectiveness will be improved so that the consultative committees do not merely form an excuse for the departments of the Commission.
57. The Community rules could be revised on the basis of the following priorities:
- to give producers a profitable income,
 - to enable the whole sector to develop consistently and stably,
 - to avoid marketing crises,
 - to supply consumers with quality products at reasonable prices,
 - to ensure the identical application of the production rules and disciplines in the Member States,
 - to observe Community preference and have better control over imports,
 - to promote the sale of products.

B. The Council's undertakings

58. The fact that the European Council included Mediterranean products among its priorities at the London Summit (26-27 November 1981) is to be welcomed.

It was with this in mind that, subject to global agreement on the mandate of 30 May, the Council of Foreign Affairs Minister, speaking on behalf of the European Council, adopted the following text¹ at its meeting on 15 and 16 January 1982:

¹ See 'Agence Europe' No.3290 (n.s.), 18/19 January 1982, p.5

'In view of the importance of Mediterranean agricultural products for the development of the Mediterranean regions, the European Council is agreed on the urgent need to improve the existing regulations, particularly, though not exclusively, in the wine, fruit and vegetables and olive oil sectors. The European Council would emphasize the need in this latter sector for examining the problem of vegetable oil imports taking account of the international obligations of the Community, including those of the GATT.

It calls on the Council to adopt the appropriate decisions very quickly, with account being taken of the need to improve the market organizations both from the point of view of producers' incomes and for the sake of efficient and economic management of the market. With regard to the proposals already presented by the Commission, the decisions will have to be taken by 31 March 1982 at the latest.'

These undertakings must be met quickly by the announcement of specific measures to improve the existing Community rules. The following proposals are to this end.

C. Proposals for improving the rules

(a) Better market management

59. The management of the Community market is essentially based on standardization and withdrawal. If it is to be made more efficient, it will be necessary:

- to increase the number of standardized products,
- to ensure that all products marketed within the EEC (including imported products) are in fact standardized,
- to strengthen the withdrawal mechanism by
 - * extending it to most fruit and vegetables and, as a priority, to those subject to the reference price,
 - * increasing the withdrawal price and bringing it closer to the basic price,
 - * using it as a precautionary management instrument, which would make it possible to limit the quantities withdrawn from the market,
 - * improving the precautionary withdrawal procedure laid down in respect of apples and pears,
 - * ensuring better differentiation between perishable products marketed daily and semi-storable products from which buffer stocks may be accumulated with a performance guarantee,
- to decide on withdrawals at an even earlier stage to prevent a crisis peculiar to one Member State from spreading throughout the Community,
- to apply more homogeneous and reliable criteria to the establishment of prices.

(b) Improved Community protection

60. Efforts to improve the management of the market would be jeopardized unless the Community's protection mechanisms were also improved.

If producers' incomes are to be guaranteed, it is essential for the Community preference, which is maintained only by the levy of a customs duty, to be effectively applied and strengthened.

Stricter control of imports from third countries is also necessary. For this, the following measures are proposed:

- making the reference prices genuine threshold prices by basing them not merely on an offer price for imported products that is difficult to control and often subject to a deposit, but on the market prices ascertained within the Community;
- ensuring that the safeguard measures are brought into force more rapidly and more automatically;
- extending the reference price to most fruit and vegetables, with priority being given to the following fruit: apricots, strawberries, dried fruit, blackcurrants, raspberries, redcurrants and summer pears, and the following vegetables: peppers, asparagus, mushrooms, onions, artichokes, cauliflowers, endives, early carrots, green beans, lettuces and melons;
- maintaining and establishing, for peaches as a priority, import timetables fixed on the basis of seasonal complementarity in respect of sensitive products, and re-assessing the minimum prices;
- bringing forward the import date for tomatoes from 15 May to 1 April so that better account may be taken of new production methods;

- providing for an import limit in respect of apples and pears, especially from the southern hemisphere;
- giving certain products that can be stored (garlic, onions, dried vegetables, walnuts, hazelnuts, almonds, etc.) the opportunity to compensate for the difference between the offer price of imported products and Community products by means of a corrective amount.

(c) Extending the rules to most products

61. Once improved, the Community rules should be extended to most fruit and vegetables, so that better account may be taken of the interdependence of products in income formation and so that incomes may be better protected by avoiding product substitution and conversion.

Extending the guarantees in this way will help restore balance within the sector, ensure that the risks are spread more evenly and encourage the diversification of production, which should not be concentrated on the few products coming within the intervention system with the result that it is more frequently applied and more costly to the Community budget.

(d) Strengthening the rules applicable to processed products

62. Enforcement of respect for the Community preference must be considered of prime importance as far as processed fruit and vegetables are concerned, so that priority may be given to supplying Member States from Community production by restricting imports on the basis of voluntary restraint agreements negotiated with the third countries concerned or by introducing tariff quotas (as in the case of cultivated mushrooms).

In order to remedy the inadequacies of the current trade regulations, steps should be taken to:

- ensure stricter observance in the Member States of quality standards (which should also be applied to imported products),
- re-examine the machinery for fixing quotas (for pears and cherries) so that additional requirements are met first and foremost by Community production,
- strengthen national control procedures for the detection of fraud,
- extend aid to the processing of other products: plums, apricots, preserved cherries, damsons, cherry plums and chestnuts,
- promote exports through the conclusion of multiannual contracts with third countries in which there is a demand,

- bring processed products within the ambit of the food aid policy.

(e) Increasing human consumption

63. There can be no doubt that an improvement in the purchasing power of the family budget through more resolute action to curb unemployment and inflation would help increase the consumption of fruit and vegetables and, hence, improve outlets.

(f) Encouraging storage and processing in the producer regions

64. Mass catering requirements, the progress made in manufacturing products from fruit and vegetables and the successes achieved with deep-freezing, freeze-drying and vacuum packing techniques have all helped to make fruit and vegetables available for human consumption throughout the year.

One of the ways of adapting supply to demand and of overcoming production fluctuations is to encourage storage and provide incentives to the preparation and processing industry.

The agri-foodstuffs industry must be encouraged (with priority being given to the cooperatives) if better use is to be made of the Community's fruit and vegetable production and employment in the producer regions is to be maintained.

(g) Promoting exports

65. The resources earmarked for refunds remain unchanged in the Community budget. In order to promote exports, it is important that these resources be increased and extended to other processed and semi-processed products.

(h) Avoiding destruction

66. Despite everything, variations in production arising from climatic conditions are such that withdrawals may prove necessary after storage and processing possibilities have been exhausted.

In these circumstances, destruction should be avoided at all costs. Unfortunately, too large a proportion of the products withdrawn from the market is still destroyed.

During the 1979/80 marketing year, a million tonnes of fruit and vegetables were withdrawn from the market and disposed of as follows:¹

- free distribution	4.7%
- animal feed	35.1%
- free processing and distribution	1.1%
- processing into alcohol	26.2%
- destruction	32.9%

¹ Answer by the Commission to Written Question No.956/81 by Mr SCHWENCKE.

Moreover, there were wide variations between products, with non-utilization reaching 85.4% in the case of cauliflowers, 78.6% in the case of tomatoes and 37.7% in the case of peaches, etc.¹.

If destruction is to be avoided, it is necessary to improve the procedure for the distribution of products withdrawn from the market to starving countries and underprivileged social groups² or, failing that, their use as animal feedingstuffs³. The Member States should therefore be encouraged to make better use of this procedure.

(i) Other issues

67. The functioning of the common organization of the market in fruit and vegetables poses various other problems. Let us briefly consider two such problems:

- crops under glass: the cultivation under glass of Mediterranean-type products in the northern regions is competitive with southern products grown under natural conditions and damaging to the regions specializing in crops which flourish in those conditions. Such cultivation should be limited, especially by the harmonization of aid.

Glasshouse cultivation, which must continue to play an important role in the Community, should also make more use of new sources of energy (geothermal and solar energy, the biomass, etc.).

- production in the French overseas departments: this is neglected by the Community regulations. The Community should help improve conditions for the production, marketing and processing of the agricultural products of these overseas departments. Aubergines from the French Antilles should be protected through the establishment of a reference price or, failing that, marketing aid.

VII. THE PROBLEMS OF ENLARGEMENT

68. The economy of the southern regions is based and will still be based for a long time on agriculture mainly producing wines and fruit and vegetables for an almost self-sufficient European market or offering, at best, possibilities for expansion that cannot match the development capacity of these products in those regions alone.

69. The enlargement of the Community would bring an additional risk to bear on fruit and vegetable production.

¹ Answer by the Commission to Oral Question No.495/81 by Mr BOCKLET

² Regulation (EEC) No.1315/80

³ Regulation (EEC) No.1559/70 and Regulation (EEC) No.55/72.

Indeed, the accession to the Community of countries which are mainly producers of Mediterranean products that are directly competitive with those of the Community, is all too likely to aggravate the problem.

The fact that these countries have considerable room for expansion in sectors in which the Community is approaching or passing beyond the threshold of self-sufficiency will have serious repercussions.

It will result in a permanent situation of structural surpluses and hence a very heavy additional burden on the Community budget, in a reduction of the product range and the amount of land under cultivation and in a widespread slump in prices and incomes.

Because of lower production costs and more favourable climatic conditions, there is a danger that the products of the candidate countries might replace Community products and accelerate the ruination of producers and many regions.

70. The EEC has concluded a whole series of agreements with many Mediterranean countries¹ and with the ACP countries (under the Convention of Lomé). The main purpose of these agreements is to grant privileged access to the Community to agricultural exports from the countries concerned. The accession of Spain to the Community, with the eventual abolition of all restrictive measures on its exports to the EEC market, is liable seriously to endanger present export flows from the Mediterranean countries and ACP countries to the Community.

Having already been penalized by the entry of Greece, which was imposed on them without any genuine consultation, these countries have good reason to feel concerned.

71. It is essential to avoid damaging both the interests of these countries and those of the southern regions of the EEC. It is therefore desirable that the interests of the countries of the Mediterranean basin and the ACP countries as well as the concerns of the Member States of the Community as regards commercial policy should be taken into account within the context of a policy of cooperation based on the mutual interests of the peoples concerned.

¹ See the draft report by Mr Sutra on Mediterranean agriculture (PF 75.211/B).

VIII. THE MAIN MINORITY OPINIONS

72. In accordance with Rule 100(4) of the Rules of Procedure, the main minority opinions which were not adopted by the Committee on Agriculture are as follows:

(a) the Commission's proposals for regulations

- refusal to include the 'enterprises bound by contract' in the rules linked to producers' organizations,
- maintenance of Article 19b(1) as it stands, on the declaration of a state of serious crisis,
- deletion of Article 19b(4) to prevent the Member States being able to escape the obligations imposed by the procedure known as that of 'serious crisis'.

(b) the common organization of the markets

- the withdrawal mechanism should be changed on the basis of greater selectivity as regards products,
- the intervention system should be differentiated on the basis of selective criteria linked to market requirements,
- intra-Community trade should be regularized by the introduction of a mechanism to correct distortions of competition.

(c) Community protection

- extension and identical application of import timetables in all Member States.

(d) Enlargement

- the integration into the Community of the countries which have applied for membership should be abandoned and should be replaced by a strengthened policy of cooperation.

COMMUNITY SUPPLY BALANCE SHEET: 1978/1979

	Usable production (1)	Imports		Exports		Intra-EEC trade		Domestic utilization (5)	Self-supply rate (1)/(5)
		In 1000t (2)	(2)/(1)	In 1000t (3)	(3)/(1)	In 1000t (4)	(4)/(1)		
Fresh vegetables	28,000	3,144	11%	1,378	5%	3,507	12.5%	29,766	94%
Fresh fruit (except citrus fruit)	13,876	4,476	32%	325	2%	4,602	33%	18,002	77%
Citrus fruit	2,569	4,055	158%	297	12%	717	28%	6,327	40.6%
TOTAL	44,445	11,675	26%	2,000	4.5%	8,826	20%	54,095	82%

Source: Eurostat

HARVESTED PRODUCTION OF
FRUIT AND VEGETABLE CROPS
SHARE OF EACH COUNTRY IN 1979

COUNTRY	VEGETABLES		FRUIT	
	In 1000 tonnes	%	In 1000 tonnes	%
Italy	11,639	41	9,823	49
France	4,853	17	3,377	17
Greece	3,683	13	1,932	10
United Kingdom	3,523	12.5	604	3
Netherlands	2,374	8	606	3
FRG	1,262	4.5	3,176	16
BEU	749	2.5	446	2
Ireland	216	0.8	17	-
Denmark	206	0.7	101	-
EUR.10	28,505	-	20,082	-

Source: Eurostat

SELF-SUPPLY RATE IN FRUIT AND VEGETABLES

in 1978/79

COUNTRY	VEGETABLES	FRUIT
FRG	34	49
FRANCE	92	90
ITALY	120	132
NETHERLANDS	190	49
BEU	116	53
UNITED KINGDOM	75	31
IRELAND	95	24
DENMARK	73	54
GREECE	-	173
EUR.9	94	77
EUR.9 in 1968/69	98	80

Source: Eurostat

HUMAN CONSUMPTION OF FRUIT AND VEGETABLES

(including preserved products)

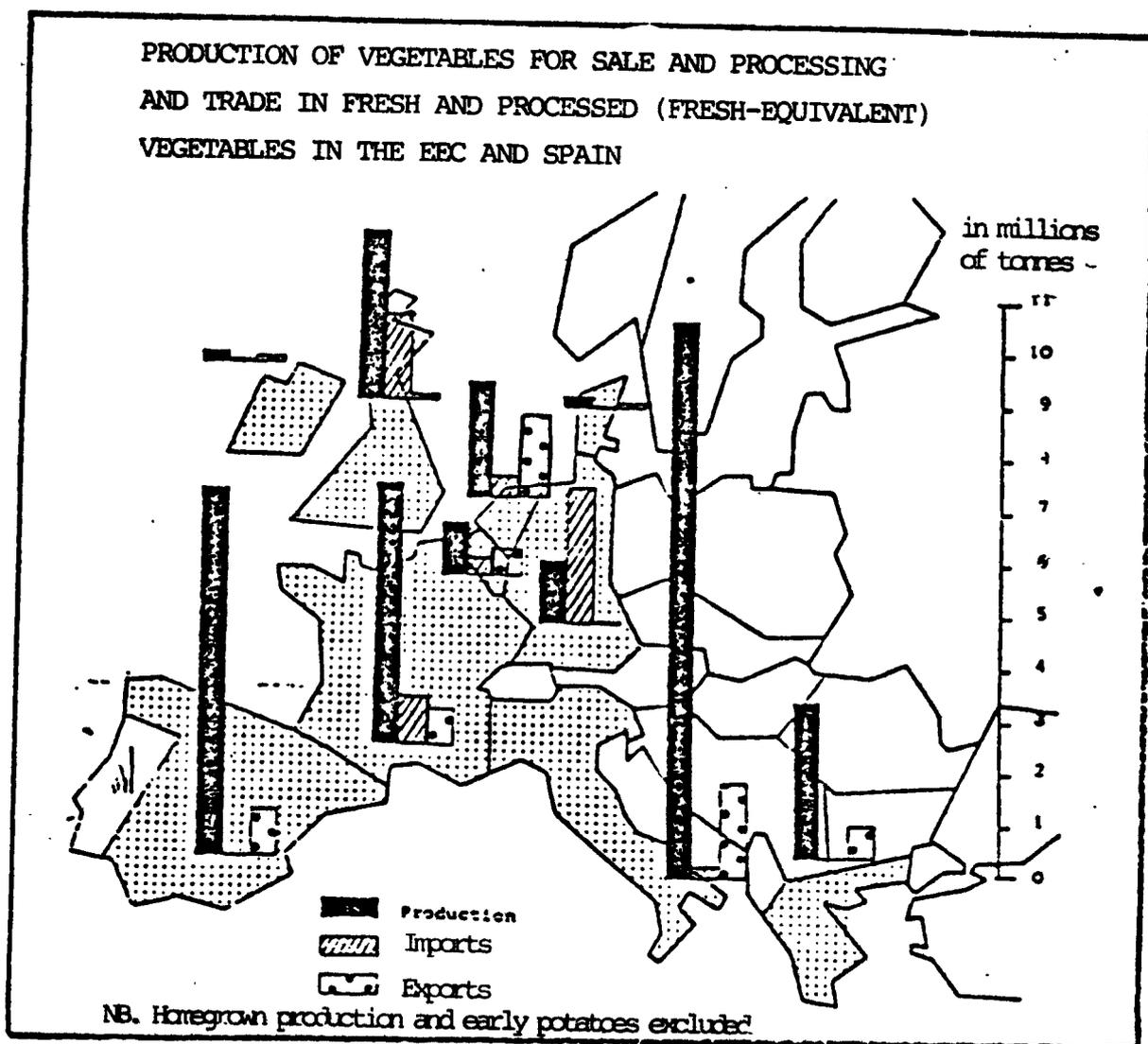
COMPARISON BETWEEN 1969 AND 1979

kg/inhabitant/year

COUNTRY	Vegetables		Fruit	
	1968/1969	1978/1979	1968/1969	1978/1979
FRG	59	74	93	86
FRANCE	129	118	57	52
ITALY	162	154	78	64
NETHERLANDS	77	89	63	80
BEU	85	82	54	59
UNITED KINGDOM	61	83	35	32
IRELAND	61	82	44	28
DENMARK	41	57	50	36
GREECE	-	282	-	52
TOTAL	99	106	65	59
	EUR.9	EUR.10	EUR.9	EUR.10

Source: Eurostat

PRODUCTION OF VEGETABLES FOR SALE AND PROCESSING
AND TRADE IN FRESH AND PROCESSED (FRESH-EQUIVALENT)
VEGETABLES IN THE EEC AND SPAIN



OPINION OF THE COMMITTEE ON BUDGETS

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

Luxembourg, 24 March 1982

Subject: Proposals from the Commission for

- I. a regulation amending Regulation (EEC) No. 1035/72 on the common organization of the market in fruit and vegetables as regards producers' organizations
- II. a regulation amending Regulation (EEC) No. 1035/72 on the common organization of the market in fruit and vegetables (Doc. 1-674/81)

Dear Mr Chairman,

The Committee on Budgets considered the above proposals from the Commission at its meeting of 17 and 18 March 1982.

In connection with the proposal to amend the regulation as regards producers' organizations, which not only provides for an increase in aid but also makes more specific the provisions of the regulation which relate to the conditions for the grant of aid, it should be noted that the financial repercussions on the expenditure of the EAGGF Guidance Section, an additional 0.5 million ECUs per annum, are very small. The committee welcomes the more specific provisions which also enable stricter supervision and urges that the remaining provisions on producers' organizations and their associations also be amended along these lines.

The second proposal to amend the regulation entails, according to the statements in the Commission's corrected financial statement, additional expenditure of approximately 12.4 million ECUs per annum. This may be accounted for in particular by the fact that the provisions of the common organization of the market in fruit and vegetables on production and marketing are extended to all producers who are not members of producers' organizations and to aubergines and apricots.

The Committee on Budgets approved the Commission's proposals.

Yours sincerely,

Erwin LANGE

Present:

Mr LANGE, chairman; Mr NOTENBOOM and Mrs BARBARELLA, vice-chairmen;
Mr ABENS, Mr ARNDT, Mrs BOSERUP, Mr CROUX, Mr GOUTHIER, Mr HABSBURG
(deputizing for Mr BARBAGLI), Mr JACKSON, Mr KAZAZIS, Mr NEWTON DUNN,
Mr PFENNIG, Mr van ROMPUY (deputizing for Mr LEGA), Mr SABY,
Mr K. SCHÖN, Mrs SCRIVENER and Mr SIMONNET.