

European Communities

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Working Documents

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Report

drawn up on behalf of the Committee on Agriculture

on the proposals from the Commission of the European Communities to the Council (Doc. 489/77) for

- I. a Regulation amending Regulation (EEC) No 2727/75 on the common organization of the market in cereals
- II. a regulation amending Regulation (EEC) No 1418/76 on the common organization of the market in rice
- III. a regulation amending Regulation (EEC) No 2742/75 on production refunds in the cereals and rice sectors

Rapporteur: Mr N.A. KOFOED

By letter of 12 January 1978, the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposals from the Commission of the European Communities to the Council for

- I. a regulation amending Regulation (EEC) No. 2727/75 on the common organization of the market in cereals
- II. a regulation amending Regulation (EEC) No. 1418/76 on the common organization of the market in rice
- III. a regulation amending Regulation (EEC) No. 2742/75 on production refunds in the cereals and rice sectors.

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.

The Committee on Agriculture appointed Mr Kofoed rapporteur on 17 January 1978.

It considered the proposals at its meeting of 26 January 1978 and adopted the motion for a resolution by 11 votes to 1, with 2 abstentions.

Present: Mr Houdet, chairman; Mr Hughes, vice-chairman; Mr Kofoed, rapporteur; Mr Albertini, Mr Cifarelli, Mr Corrie, Mrs Dunwoody, Mr Früh, Mr Guerlin, Mr Hansen, Mr Howell, Mr Klinker, Mr Lemp and Mr Pisoni.

The opinion of the Committee on Budgets is attached.

C O N T E N T S

	<u>Page</u>
A. MOTION FOR A RESOLUTION	5
B. EXPLANATORY STATEMENT	6
Opinion of the Committee on Budgets	7

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

- I. a regulation amending Regulation (EEC) No. 2727/75 on the common organization of the market in cereals
- II. a regulation amending Regulation (EEC) No. 1418/76 on the common organization of the market in rice
- III. a regulation amending Regulation (EEC) No. 2742/75 on production refunds in the cereals and rice sectors

The European Parliament,

- having regard to the proposals from the Commission of the European Communities to the Council¹,
- having been consulted by the Council (Doc. 489/77),
- having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 515/77),

Approves the Commission's proposals.

¹ OJ No. C 11, 13.1.1978, p. 14.

EXPLANATORY STATEMENT

The purpose of these proposals is to reintroduce production refunds for maize groats and broken rice used for brewing and for quellmehl used in baking.

The European Parliament had already been asked to deliver an opinion on a proposal for the introduction of refunds for maize groats and meal and broken rice¹. However, after the matter had been referred back to the Committee on Agriculture, which had again approved the Commission's proposal², an amendment was adopted during the plenary sitting of 26 September 1975 by which the Commission's proposal was rejected³.

The Court of Justice has now ruled that the abolition of the refunds was contrary to the principle of equality and the Commission's proposal therefore seeks to comply with this judgment by reintroducing the production refunds. The aim is to prevent distortion of competition between the raw materials used in brewing and baking.

It should also be noted that the abolition of production refunds for maize groats and broken rice used in brewing, together with the retention of refunds for maize starch, lessened the competitiveness of the former products, although their abolition will result in no saving for the EAGGF since the cost of the refunds will be offset by the disappearance of refunds for maize starch. The abolition of refunds for **maize groats** and broken rice adversely affects the competitiveness of the industries concerned and could eventually lead to unemployment in this sector.

The reintroduction of the refunds will enable the Community food industries in question to maintain their competitiveness.

The purpose of these proposals is to establish equal conditions of competition for the products which are the raw materials used in brewing and baking. The Committee on Agriculture can therefore approve them.

¹ De Koning report (Doc. 260/75)

² De Koning report (Doc. 303/75)

³ OJ No. C 7, 12.1.1976, p.65

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the chairman of the committee to Mr HOUDET,
chairman of the Committee on Agriculture

Brussels, 3 February 1978

Dear Mr Houdet,

At its meeting of 1/2 February 1978 the Committee on Budgets considered the proposals from the Commission of the European Communities to the Council

- amending Regulation (EEC) No. 2727/75 on the common organization of the market in cereals;
- amending Regulation (EEC) No. 1418/76 on the common organization of the market in rice;
- amending Regulation (EEC) No. 2742/75 on production refunds in the cereals and rice sectors¹.

These proposals are intended to implement a ruling of the Court of Justice (117/76 and 77) by reintroducing the production refunds for maize groats and broken rice used in the brewing industry for the production of beer and for quellmehl used for baking.

The additional costs arising from these measures are quite small as the products in question had been largely replaced by starch, for which refunds are granted. According to the Commission's estimates the total cost, in the following financial years, of production refunds for maize groats, wheat and maize used for the production of quellmehl, and broken rice amount to 8.7 m u.a. The substitution of these products for starch will reduce the production refunds for starch by about 3 m u.a. so that net expenditure will amount to 5.7 m u.a.

Given the favourable opinion of the Committee on Agriculture, which welcomes the proposals especially because they will remove distortions of competition in the Community food industry, and of the judgment of the European Court of Justice that they must be implemented, the Committee on Budgets approves the Commission's proposals.

¹ Because of an error the title page of Doc. 489/77 makes no mention of the amendment of Regulation No. 2742/75.

The Committee on Agriculture should, however, ensure that in future all financial data in Commission documents are expressed in the new European unit of account.

(sgd.) Erwin LANGE

Present: The chairman, Mr Lange; Mr Alber, Lord Bessborough, Mrs Dahlerup, Mr Dankert, Mr Meintz, Mr Notenboom, Mr Ryan, Mr Schreiber, Mrs Squarcialupi (deputizing for Mr Mascagni), Mr Terrenoire, Mr Vanvelthoven and Mr Vitale.