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REPORT

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 319/77) for a regulation temporarily and totally suspending the autonomous Common Customs Tariff duties on dessert apples

Rapporteur : Mr R. HOUDET

PE 50.584/fin.

By letter of 5 October 1977 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 proposal from the Commission of the European Communities to the Council for a regulation temporarily and totally suspending the autonomous Common Customs Tariff duties on dessert apples.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on External Economic Relations and the Committee on Budgets for their opinions.

The Committee appointed Mr Houdet rapporteur.

It considered this proposal at its meeting of 11 October 1977 and adopted the motion for a resolution by 9 votes to 1, with 1 abstention.

Present: Mr Houdet, chairman and rapporteur; Mr Brégégère, Mr Brugger, Mrs Dunwoody, Mr Früh, Mr Hoffman, Mr Hughes, Mr Jensen (deputizing for Mr Herbert), Mr Klinker, Mr Mitchell and Mr Pisoni.

The opinions of the Committee on External Economic Relations and the Committee on Budgets are attached.

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

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation temporarily and totally suspending the autonomous Common Customs Tariff duties on dessert apples

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council ¹,
- having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc.319/77),
- having regard to the report of the Committee on Agriculture and the opinions of the Committee on External Economic Relations and the Committee on Budgets (Doc. 331/77),

1. Approves the Commission's proposal.
2. Calls on the Commission to provide more comprehensive information at an early date on possible ways of meeting consumer demand in the first half of 1978 and on the measures it is contemplating either to avert serious deficits or to achieve a better balance of the market and of Community production of the various qualities of apples.

¹ OJ No. C 243 , 11.10.1977, p. 3

EXPLANATORY STATEMENTIntroduction

1. The Commission proposes, in view of the current exceptionally high producer prices, that the tariff duties on apples other than cider apples be totally suspended until 31 December 1977. The tariff duties in this period amount to 14%.

Market situation

2. The Commission's proposal to suspend tariff duties is intended to alleviate the situation for consumers which has been brought about by a sharp decrease in the Community apple harvest for 1977/78. Producer prices are particularly high and in certain Member States are double those for the previous year.

This year's harvest is the lowest since 1962, and at 5,200,000 tonnes represents a decrease of about 22% compared with average harvests of previous years. The harvest of 5.2 million compares with 5.7 million, 6.4 million and 7.4 million in 1976, 1975 and 1974 respectively.

Withdrawals from the market have been insignificant and have taken place in Italy where 300 tonnes have been taken off the market. When the harvest is below 6 million tonnes, withdrawal does not normally take place. Withdrawals in 1975/76 were in the region of 800,000 tonnes.

3. This year there are no problems of over-production of particular varieties, such as Golden Delicious, since the crop is low in France, the main producer. Therefore, prices are high for all varieties.

4. The Commission provides no information as to the anticipated volume of additional imports of apples¹, nor of the impact of such imports upon producer prices. It is likely that the price effect will be limited.

Date limit of 31 December 1977

5. It appears at first surprising that the Commission proposes a tariff suspension only until 31 December 1977, when logically one would have expected the suspension to apply until supplies begin to arrive normally from the southern hemisphere in March. The Commission believe, however, that it is

¹ In the financial statement the Commission indicates that 30,000 to 50,000 t of apples will be freed from duty, but certainly a large percentage of this amount would be imported even if the full duty were imposed.

appropriate to limit the suspension until 31 December, until such time as other varieties of fruits such as oranges and mandarins are in full season, on the rather strange argument that oranges are a substitute for apples. There are also the political objections presented by certain Community producers.

Sources of imports

6. The apples will be imported from mainly two traditional exporters :

(a) Hungary, which this year has a good harvest and a surplus to export; and

(b) more important, exports from North America, which has had a very good harvest and is a traditional exporter to the United Kingdom. Imports from North America have already started to arrive in the United Kingdom and Germany.

7. There has been question of whether the tariff suspension should be applied to pears as well as to apples. The Commission did not propose a suspension for pears since the crop is of much less importance than for apples, being about one-third the size. Moreover, Italy, the largest producer in the Community, is the major source of Community pear supplies. In any case, there are no significant extra Community sources since the Spanish crop has failed and Greece, with only a limited production, has no export base.

Budgetary aspects

8. The waiving of custom duties will result in a loss of 0.8 to 1.5 million u.a. to the Community budget.

Conclusions

9. Given the exceptionally high level of producer prices in the Community, the Committee on Agriculture believes that it can approve the Commission's proposal to suspend the tariff duties on apples until 31 December 1977. The Committee on Agriculture notes, at the same time, that the effect of this measure on prices will be limited.

10. This will create no serious problems internally since withdrawals for 1977/78 have been insignificant. At the same time, the Committee on Agriculture would like further information concerning supplies of apples to consumers during the first half of 1978.

OPINION OF THE COMMITTEE ON EXTERNAL ECONOMIC RELATIONS

Letter from the acting Chairman to Mr R. HOUDET, Chairman of
the Committee on Agriculture

Luxembourg, 12 October 1977

Dear Mr. Chairman,

Concern: Opinion of the Committee on External Economic Relations for
the Committee on Agriculture on a proposal for a Council
regulation temporarily and totally suspending the autonomous
Common Customs Tariff duties on dessert apples (COM(77)475/final).

At a meeting on Tuesday, 11 October 1977 the Committee on External
Economic Relations considered a proposal for a regulation temporarily and
totally suspending the autonomous Common Customs Tariff duties on dessert
apples (COM(77)475/final). The members of the committee noted that this
measure is both necessary and urgent, as Community production of dessert
apples this season is 22% below the average harvest of previous years.
Prices to consumers are high for all varieties of dessert apples throughout
the Community.

They also noted that the suspension is to last only until 31 December 1977
rather than until the next apple harvest begins in the Community. The
Commission argue that after that date supplies of oranges will be available.
The Committee on External Economic Relations hopes that the Commission is
right in assuming that oranges will prove an acceptable substitute for apples
and that no further tariff suspension for apples will be necessary after
31 December 1977.

The Committee on External Economic Relations decided to give a favourable
opinion on this proposal.

(sgd.) Lord CASTLE
(acting Chairman)

¹ Present: Lord CASTLE; acting Chairman, Mr van AERSSSEN, Lord BRIMELOW,
Mr CORRIE, Mr COUSTE, Mr de CLERQ, Mr JENSEN, Mr E. MULLER,
Lord ST OSWALD, Mr SPICER and Mr VANDEWIELE.

OPINION OF THE COMMITTEE ON BUDGETS

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

Luxembourg, 13 October 1977

Subject: Proposal for a Council Regulation temporarily and totally
suspending the autonomous Common Customs Tariff duties on
dessert apples (Doc. 319/77)

Dear Mr Chairman,

The Committee on Budgets considered the above proposal for a
regulation at its meeting of 11 October 1977.

According to the Commission's estimates - based on the non-levying
of a customs duty of 35-40 u.a./tonne on 30-50,000 tonnes - the suspension
of the autonomous Common Customs Tariff duties on dessert apples would
entail a loss of revenue of between 800,000 and 1,500,000 u.a.

The committee has taken this opportunity of presenting to the
Commission a complete list of losses of revenue likely to arise from
exceptional arrangements in respect of the CCT.

As the tariff suspension will be applied only until 31 December 1977,
the committee felt able to approve the proposal.

.....

(sgd.) Erwin Lange

Present: Mr Lange, chairman; Mr Cointat, vice-chairman; Lord Bruce of
Donington, Mr Shaw and Mr Würtz

