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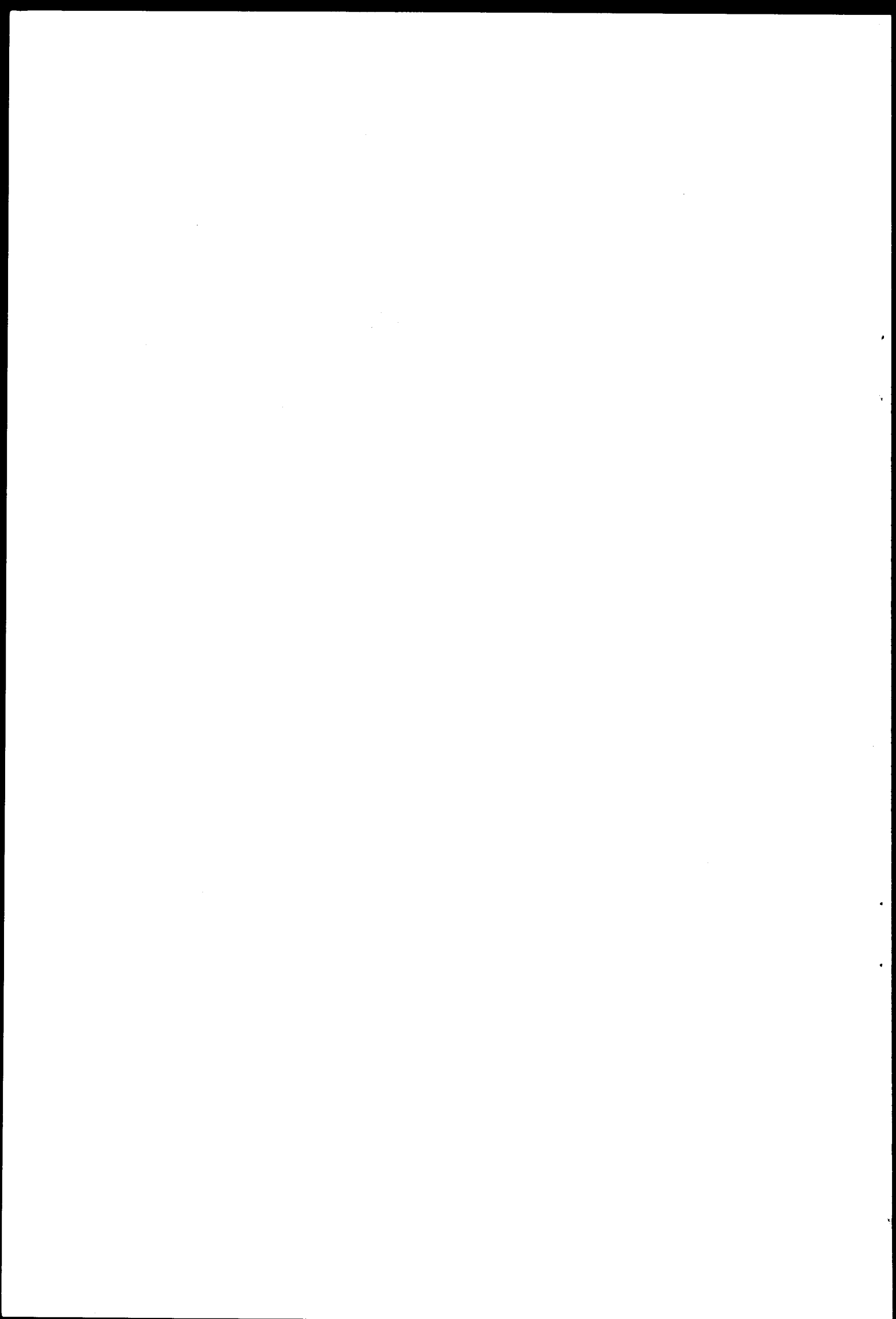
Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 99/74) for a regulation modifying Regulation (EEC) No 1411/71 as regards the fat content of whole milk

Rapporteur: Mr L. MARTENS

PE 36.986/fin.



By letter of 7 May 1974 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43(2) of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation modifying Regulation (EEC) No 1411/71 as regards the fat content of whole milk.

On 13 May 1974 the President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible.

The Committee on Agriculture appointed Mr MARTENS rapporteur on 24 May 1974.

It considered this proposal at its meeting of 24 May 1974.

At the same meeting the committee adopted the motion for a resolution and the explanatory statement by 7 votes in favour, with 6 abstentions.

The following were present : Mr Houdet, Chairman; Mr Laban, Vice-Chairman; Mr Martens, rapporteur; Mr Brugger, Mr Cifarelli, Mr Delmotte (deputizing for Mr Dalsager), Mr Frehsee, Mr Früh, Mr Gibbons, Mr Liogier, Miss Lulling, Mr Jakobsen, and Mr Thornley (deputizing for Mr Kavanagh).

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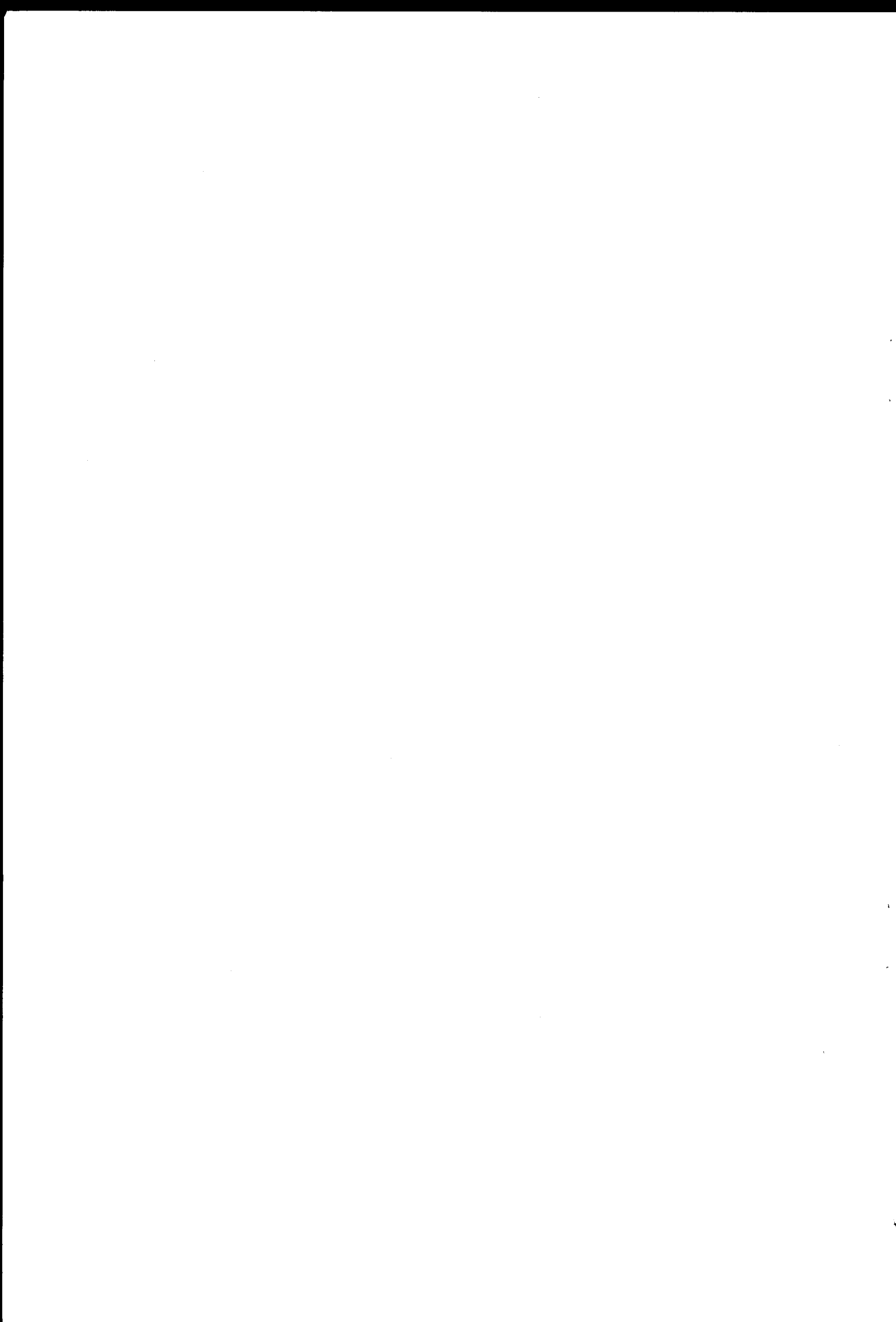
The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

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 modifying Regulation (EEC) No. 1411/71 as regards the fat content of whole milk.

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM (74) 618 final);
 - having been consulted by the Council pursuant to Article 43(2) of the EEC Treaty (Doc. 99/74);
 - having regard to the report of the Committee on Agriculture (Doc. 112/74),
1. Approves the Commission's proposal to put back until 31 December 1975 the date for the introduction of a uniform fat content of whole milk;
 2. Asks the Commission to examine within the shortest possible time the manner in which Regulation (EEC) 1411/71 is applied in each Member State; and whether it is opportune to maintain the provision for the introduction of a minimum fat content of 3.5% for whole milk;
 3. Instructs its President to forward this resolution and the report of its committee to the Council and the Commission of the European Communities.



EXPLANATORY STATEMENTThe purpose of the Commission's proposal

1. Regulation No. 1411/71 laying down additional rules on the common organization of the market in milk and milk products⁽¹⁾ established standards for quality of milk to enable trade in this sector to develop to the fullest extent. It recognized, on the other hand, that interim derogations were required in order to allow for the smooth transition from national arrangements.

Accordingly, while Article 3 (1b) of Regulation No. 1411/71 established that 'full cream milk' for direct consumption should have a fat content of at least 3.5%, Article 6(2) allowed Member States to maintain until 31 December 1973 existing national arrangements for full cream milk delivered to customers.

2. In the course of a special meeting of the Special Committee of Agriculture on 1 October 1973, the Belgian Delegation expressed the wish to see this date put back, to avoid, for reasons concerning conjunctural policy, an increase in the price of milk and a decrease in consumption. This request was received favourably by a number of other delegations.

Consequently, by Council Regulation (EEC) No. 3478/73⁽²⁾ this date was put back until 31 May 1974.

3. At the present time, several delegations on Special Agricultural Committee have expressed the wish that the presently foreseen date of 1 June 1974 for the introduction of this new level of 3.5% should be further put back in order to avoid a price increase and a fall in consumption.

Accordingly the Commission hereby proposes that the entry into force of this provision be put back until 31 December 1975, the date until which a fat content lower than 3.5% is authorized in the United Kingdom under Article 89(1) of the Act of Accession.

(1) OJ No L 148, 3.7.1971; p.4.

(2) OJ No L 357, 28.12.73; p.7.

4. In the report drawn up by Mr MARTENS on the last modification to this time limit,¹ the European Parliament requested that the impact of an increase in the fat level of liquid milk on retail prices should be examined in greater detail. The Commission suggests that the proposed extension will allow such an examination to be undertaken.

Observations

5. This is the second occasion on which the European Parliament has been asked to give its opinion on an extension of the time limit for the introduction of a uniform whole milk fat content of 3.5%.

In December 1973, in a report drawn up for the Committee on Agriculture by Mr MARTENS,¹ the European Parliament approved the Commission's proposal. At the same time, it requested that consideration be given to the implications of the envisaged increase in the fat content of whole milk for retail prices, marketing and public health, suggesting that such an examination be carried out in the framework of the memorandum on the improvement of the Common Agricultural Policy.

It has not proved possible for the Commission to carry out this study. However, the reasons for which the Commission seeks a further extension of the existing time limit relate precisely to the question of the impact of an increase in fat content on the retail price and consumption of milk.

The Committee on Agriculture notes that the Commission intends to use the opportunity provided by this new extension to carry out this study, and awaits the results.

6. At the time of its previous proposal in 1973 for an extension of the time limit for the introduction of this measure, the Commission referred to the need to maintain existing levels of consumption in view of the surpluses existing in the dairy sector : in 1972 and 1973 high prices had brought about a marked fall in consumption and at the same time had stimulated production.

At the moment, future market trends are uncertain. High feed costs have encouraged a reduction in herds, so that there are forecasts that certain countries, notably the United Kingdom and Italy, may face milk shortages.

¹ Doc. 296/73, 13.12.1973

On the other hand, there is a continuing concern with the increasing rates of inflation to be found within each Member State. The Commission's present proposal will contribute, temporarily, to avoiding a further increase in the price of whole milk as well as to maintaining consumption. The Committee on Agriculture therefore can give its approval to this proposal.

However, it awaits the report by the Commission of the European Communities on the impact of an increase in the fat content on the dairy industry and retail prices; and requests that this report be made available as soon as possible, and at least within a reasonable period before the entry into force on 31 December 1975 of the provision laid down by Regulation 1411/71 on the fat content of whole milk, so as to allow a thorough reappraisal of its implications.

Furthermore, the Committee on Agriculture requests that the Commission examine at the same time whether it is opportune to maintain this provision for the introduction of a minimum fat content of 3.5% for whole milk.

