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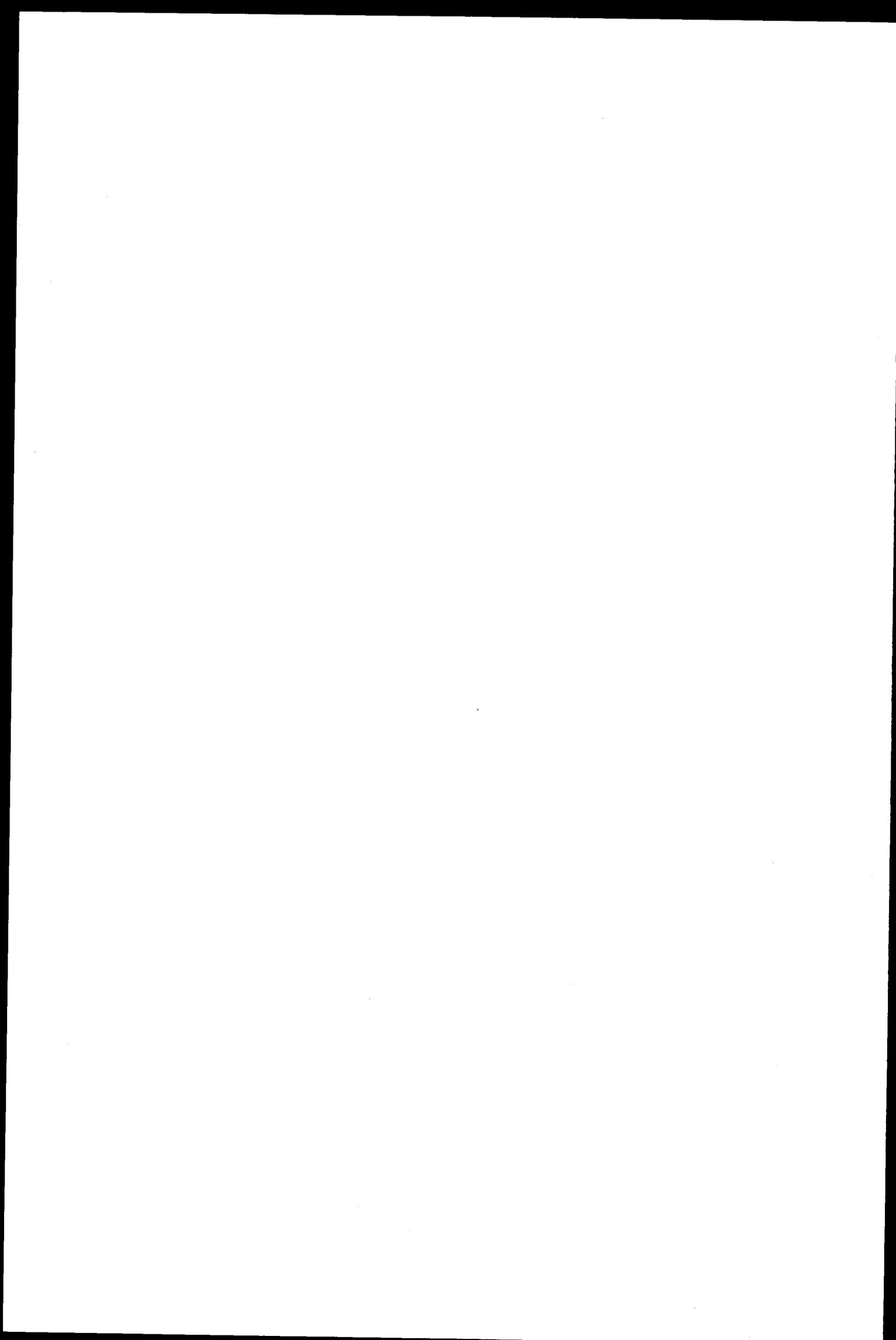
Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the
Council (Doc. 88/74) for a regulation laying down ~~special~~ measures for soya beans

Rapporteur: Mr Jan DE KONING

PE 37.062/fin.



By letter of 7 May 1974 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 laying down special measures for soya beans.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible.

The Committee on Agriculture appointed Mr Jan De Koning rapporteur on 8 May 1974.

It considered this proposal at its meeting of 5-6 June 1974.

At the same meeting the committee adopted the motion for a resolution with 8 votes in favour and 5 abstentions.

The following were present: Mr Houdet, Chairman; Mr Laban, Vice-Chairman; Mr de Koning, rapporteur; Mr Baas, Mr Brugger, Mr Dalsager, Mr John Hill, Mr Jakobsen, Mr Kavanagh, Mr Ligios, Miss Lulling, Mr Martens and Mr Scott-Hopkins.

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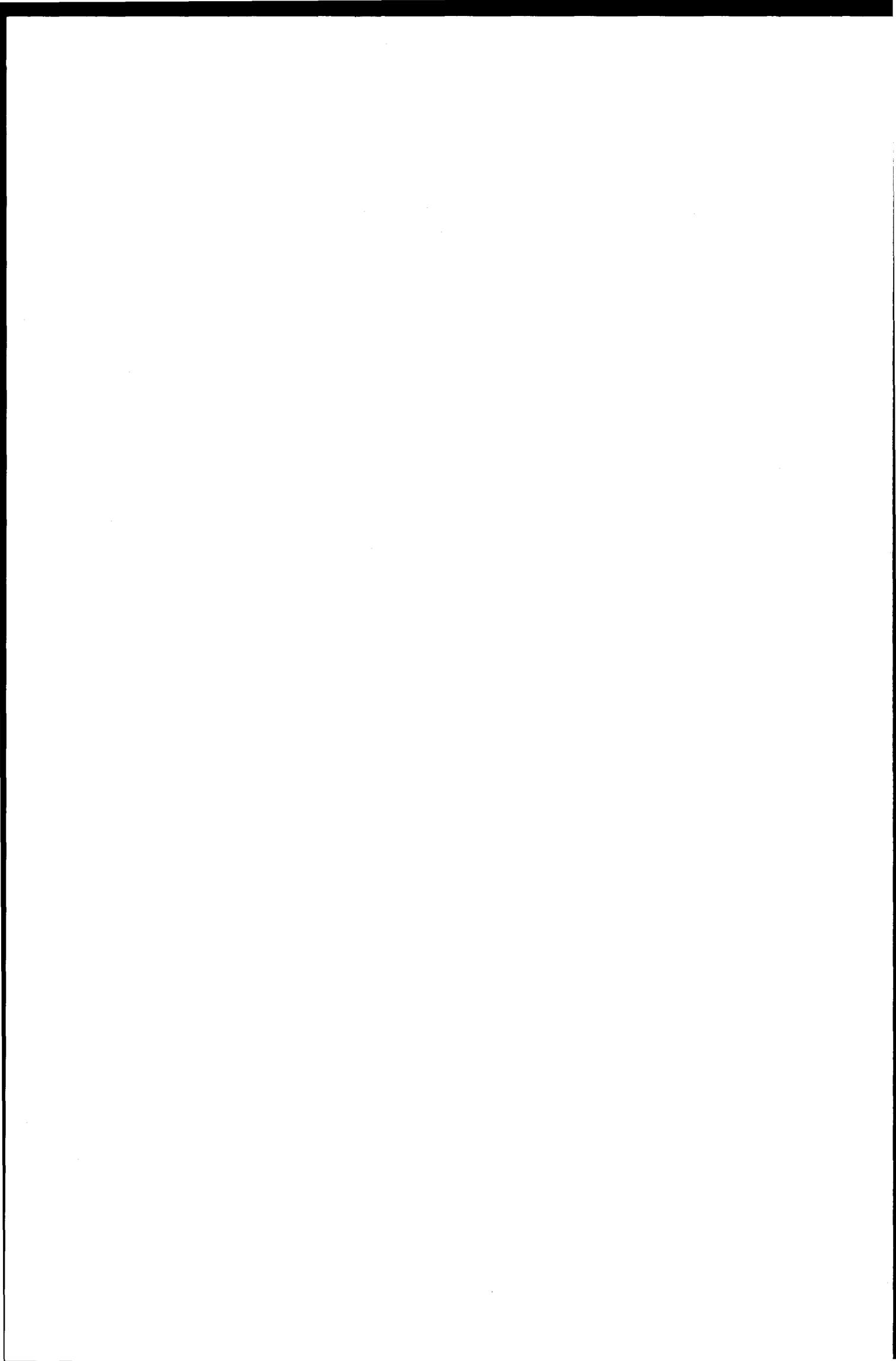
The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

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 laying down special measures for soya beans

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM(74) 552 final),
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 88/74),
 - having regard to the report of the Committee on Agriculture (Doc.131/74).
1. Approves the Commission's proposal;
 2. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities.



EXPLANATORY STATEMENT

1. In its Memorandum on the improvement of the common agricultural policy¹ the Commission noted that 'it would seem to be in the general interest of the Community to endeavour to prevent its dependence on imports for supplies of high-protein products from growing excessively over the next five years.' One measure suggested for expanding Community production of high-protein products was the extension of the support system applied at present to rape seeds and sunflower seeds to include soya beans.

In its opinion² on the above Memorandum, the European Parliament approved the proposals to encourage the production of proteins. Thereupon the Commission submitted a draft regulation³ with its agricultural price proposals for the 1974/75 marketing year providing for the extension of a number of the provisions of the regulation on the establishment of a common organization of the market in fats⁴ to cover soya bean production.

In its opinion⁵ the European Parliament approved the measures proposed for encouraging the cultivation of soya, while noting that no measures should be taken in respect of soya that are more favourable than those in respect of comparable crops and that, moreover, there will continue to be a great need for imported soya and that guarantees must be obtained for supplies at reasonable prices.

2. This draft regulation is to replace the first Commission proposal. While the original proposal only referred to the relevant articles of the basic regulation on fats, the new one formulates the projected arrangements in a positive manner and is therefore clearer and more practicable.

¹ cf. Doc. 251/73, 5 December 1973

² cf. Interim report by Mr Scott-Hopkins on behalf of the Committee on Agriculture on the Memorandum on the improvement of the common agricultural policy - Doc. 337/73, 6 February 1974

³ cf. (COM(74) 30 final, Proposal No. XIII) amended by (COM(74) 196 final)

⁴ Regulation No. 136/66/EEC of the Council of 22 September 1966 on the establishment of a common organization of the market in fats, OJ No. 172, 30 September 1966, p. 3025/66

⁵ cf. Scott-Hopkins, Gibbons, de Koning report on the proposals for regulations concerning the fixing of prices for certain agricultural products for 1974/75 - Doc. 366/73, 12 February 1974

3. The purpose of the proposal is to provide support measures for Community soya bean production which competes with the soya beans imported duty free from third countries. The producer would be ensured a fair income by a subsidy consisting of the difference between the target price and the price ascertained for the beans on the world market.

4. The system of subsidies envisaged here corresponds to the system provided in Article 27 of the basic regulation on fats which acts as a 'deficiency payment' unlike the usual systems in other market organizations.

5. Contrary to the intervention prices envisaged for rape-seeds and sunflower seeds in Article 27 of the regulation on fats, no guaranteed minimum price is proposed for soya bean production. This may be because Community soya bean production will only cover a fraction of the Community's demand and there are, therefore, unlikely to be any marketing difficulties, particularly since Community production can be put on the market at the same prices as the products from third countries.

6. The proposed system, therefore, largely leaves price formation to market forces, and intervenes only if the world market price is lower than the target price. Whether it is possible to achieve the aims of this regulation, namely to encourage soya bean production in the Community, will, therefore, largely depend on the profitability of this production in comparison with other uses of the cultivated land and, as a result, on the attractiveness of the target price. Precisely because the level of the target price is so important to the functioning of the proposed special measures for soya beans, Parliament welcomes the fact that it is to be consulted on the fixing of this price.

7. Your rapporteur would not like to miss the opportunity provided by this Commission proposal to reiterate the request expressed in Parliament's opinion on the price proposals that the Community should attempt to negotiate long-term supply contracts with third countries on appropriate conditions to ensure that the high demand for imported soya beans will continue to be covered.

The committee would greatly appreciate information from the Commission to the European Parliament in the near future on measures taken to achieve this aim.

8. Your committee recommends the European Parliament to approve the Commission's proposal for a regulation.

