



European Commission
Directorate-general of Agriculture

Newsletter

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Trade in seed: diversity is the watchword

The Council adopted a Directive (98/95/CE) on 14 December 1998 which amends the Directives on the marketing of beet seed, fodder plant seed, cereal seed, seed potatoes, seed of oil and fibre plants and vegetable seed as well as the common catalogue of varieties of agricultural plant species. The new Directive is a further step in adapting Community legislation to the Single Market. Another aim is to reinforce the conservation and use of genetic resources, as well as coordinate the procedures for evaluating the risks presented by genetically modified varieties and bring them within the approval procedures covering all agricultural varieties.

The Community's legislation on marketing seed used in agriculture must in particular take account of the sections of the CAP dealing with the product quality and agri-environmental measures, as contained in the Agenda 2000 proposals.

Our plant-genetic heritage

As indicated above, the new Directive is not only about ensuring freedom of movement for seeds within the Union. It is also designed to underpin the marketing of certain seeds in order both to conserve plant-genetic resources "in situ" and to ensure their sustainable management in relation to particular natural habitats under threat of "genetic erosion". This involves in particular the traditional cultivation of local species and varieties. The results of unofficial tests and farmers' own experience can be taken into account in giving recognition to "conservation varieties". Approvals of seed will be periodically updated in the light of their usefulness as agricultural crops and the need to conserve threatened species and varieties.

This approach also reinforces the Community's Regulation on agri-environmental schemes, which provides for payments to farmers in return for their efforts to protect the environment as well as biodiversity. A varied choice for consumers is a further bene-

fit, together with increased scope for developing quality products from specific geographical areas and products from organic farming.

Genetically modified varieties

Another aim of the Directive is to lay down detailed terms and conditions for the registration of genetically modified varieties (GMVs) in official catalogues of varieties whose seeds and seedlings are allowed to be marketed. The new Directive specifies that the marketing of GMV seed is only to be permitted if they have been recognised as not being hazardous to human health or the environment. In order to create transparency and legal certainty, the principle of the "one-stop shop" is to apply to GMVs, i.e. it will be possible to submit a single application for approval covering all the factors needed for an appraisal which currently call for different procedures. To do this involves coordinating the procedures on the environmental impact and food uses of GMVs and their inclusion in catalogues enabling the marketing of their seeds and seedlings. A regulation will be adopted setting up a procedure for approving such varieties which is analogous, in terms of risk assessment, to the procedure laid down in the Directive on the deliberate release of genetically modified organisms into the environment.

The new Directive also specifies that the genetically modified nature of seed varieties must be indicated in official catalogues and on any document or label used in marketing them. Where using a given type of seed involves a hazard to other species, to human health or to the environment, Member States can be authorised to ban, limit or set conditions on sowing it. Finally, in the case of GMV seed as for any other type, all measures planned by the Commission have to pass via the Standing Committee on Seeds and Propagating Material for Agriculture, Horticulture and Forestry, comprising representatives of the Member States and the Commission.

Farm incomes fall in 1998

Initial estimates from Eurostat suggest an average drop in farm incomes per work unit in 1998 of 3.9% in real terms. However, this fall has to be set against the background of a marked expansion of farm incomes between 1994 and 1998, in parallel with implementation of the CAP reform and a much more favourable international economic situation, over this period, than in 1998. There are also very noticeable differences from one Member State to another. The direct compensatory payments to farmer introduced under the reform, in particular for cereals and beef, have played a key role in stabilising farm incomes by cushioning the negative impact of falls in prices and quantities produced.

The drop in incomes in 1998 can be attributed in the main to:

- an average fall of 3.7% in real producer prices as a result of the fall in prices for livestock products (-8%) and in particular pigmeat (-28.7%), which was caused in turn by increased production together with

falling exports because of the economic crisis in Russia;

- a slowdown in the decline of agricultural manpower (-1.6% in 1998, compared with an average yearly decline of -3.8% between 1990 and 1996);
- a fall in farm subsidies, in particular in oilseeds, combined with the ending of aid granted in 1997 to offset the negative effects of BSE in the United Kingdom and swine fever in the Netherlands. Subsidies account for as much as 29% of farmers' incomes.

Apart from direct payments to producers in some sectors, other factors braking the drop in incomes were:

- a slight increase in output volumes (1% up on the previous year);
- a reduction of about 4% in the average cost of farm inputs (in particular feedingstuffs, energy and fertilizers);
- more buoyant producer prices for potatoes, wine and fruit and vegetables.

In brief

Quality policy: a campaign bears fruit

The European Union has won the 1998 "Media and Marketing Europe Award" for an international press advertising campaign, which was awarded in London on 1 December 1998 by a jury of the media and marketing industry. The prize was given to the campaign to publicise protected designations of origin (PDOs), protected geographical indications (PGIs) and 'traditional speciality guaranteed' status (TSG) which was run by DG VI's Quality Policy Unit as a series of articles in the magazine "Elle", appearing across Europe in nine languages. Readers will recall that these quality seals for traditional products form part of the policy of developing quality products, one of the priorities of the CAP for many years with a view to strengthening the competitiveness of the Community's agri-food industry. The specific character of the products is linked either to their geographical origin (PDO or PGI) or to their traditional production method (TSG). As was already the case for TSGs, a common Community logo has recently been introduced for PDOs and PGIs (see Newsletter No. 4). Producers and traders are free to choose whether they use the logo, but PDO/PGI status (or the national equivalent) is compulsory for obtaining the legal protection provided. It is also worth pointing out that the EC Regulation on PDOs and PGIs* does not apply to wines and spirits, since they are covered by already existing regulations of similar scope. By the end of December

1998, a total of 312 PDOs and 191 PGIs had been registered, i.e. 503 in all, mainly from the following sectors: fresh and processed meat (129), cheeses (136), fruit, vegetables and cereals (99) and oils and fats (58).

* Regulation (EEC) No 2081/92 of 14 July 1992. You can also visit the website at <<http://europa.eu.int/qualityfood>>.

Goodbye green rates, hello euro

With the introduction of the euro imminent, the Council adopted a Regulation on 14 December setting out the agrimonetary regime applying under the single currency. This replaces the system of green rates from 1 January 1999. Green rates were used for converting amounts of aid set under the CAP in ecus into national currencies in order to cushion the impact of currency fluctuations. Since 1 January, these amounts have been fixed and paid out in euros within the euro area. The Council also adopted transitional compensatory measures. See also Newsletter No 2. It is worth noting, however, that in the case of the four countries not participating in the single currency, conversions will be made at the exchange rates established by the European Central Bank on the day before the triggering 'operative event' and not on the day itself.

References: Council Regulations (EC) Nos 2799/98 and 2800/98, OJ L 349 of 24 December 1998.



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