

EUROPEAN PARLIAMENT

446.41

Working Documents

1976 - 1977

7 July 1976

DOCUMENT 224/76

Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 214/76) for a regulation amending Council Regulation (EEC) No. 1930/75 laying down special provisions applicable to trade in tomato concentrates between the Community as originally constituted and the new Member States

Rapporteur : Mr A. LIOGIER

PE 45.181/fin.

1.2.1

EP 1976-77.224

By letter of 28 June 1976, the President of the Council of the European Communities consulted the European Parliament, pursuant to Article 43 of the EEC Treaty, on the proposal from the Commission of the European Communities to the Council for a regulation amending Council Regulation (EEC) No. 1930/75 of 22 July 1975 laying down special provisions applicable to trade in tomato concentrates between the Community as originally constituted and the new Member States.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion.

On 5 July 1976, the committee appointed Mr Liogier rapporteur.

It considered the proposal at its meeting of 6 July 1976 and adopted the motion for a resolution and explanatory statement by 14 votes to 2 with 1 abstention.

Present: Mr Houdet, chairman; Mr Laban, vice-chairman; Mr Liogier, vice-chairman and rapporteur; Mr Boano, Mr Brégégère, Mr Frehsee, Mr Früh, Mr Haase, Mr Hansen, Mr Howell, Mr Hughes, Mrs Kellett-Bowman (deputizing for Mr Scott-Hopkins), Mr Kofoed, Mr de Koning, Mr Ligios, Mr Suck and Lord Walston.

The opinion of the Committee on Budgets will be given orally.

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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 a proposal from the Commission of the European Communities to the Council for a Regulation amending Council Regulation (EEC) No. 1930/75 laying down special provisions applicable to trade in tomato concentrates between the Community as originally constituted and the new Member States.

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM (76) 304/fin.);
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 214/76);
 - having regard to the report of the Committee on Agriculture (Doc 224/76).
1. Approves the proposal of the Commission;
 2. Requests the Commission, however, to make a general review of the crisis situation in the tomato concentrates and peeled tomatoes sector in order to find more incisive solutions.

EXPLANATORY STATEMENT

1. The Community market in peeled tomatoes and tomato concentrates is in serious difficulty. There are large surpluses which may well amount to approximately 200,000 tonnes in the case of peeled tomatoes and 60,000 tonnes in the case of concentrates at the end of the present marketing year.

2. In response to this situation, the Commission has already taken measures of three kinds: an increase in exports to third countries, stronger Community protection against low-priced imports from the countries of the Mediterranean basin and an increase in intra-community trade.

In the first place therefore the Commission has increased the refunds granted for exports of products derived from tomatoes to third countries. Secondly, it has introduced a special scheme comprising in particular an obligation to respect a minimum price of 640 u.a./tonne for imports of tomato concentrates from third countries into the six original Member States and of 480 u.a./tonne for imports into the three new Member States.

Greece, however, one of the Community's main suppliers, was not included in these arrangements and was therefore the sole supplier outside the Community which did not have to observe the minimum price. On 27 February 1976, however, the Commission decided that Greece should also be made subject to the minimum price which was fixed at 550 u.a./tonne for exports to the Community as originally constituted and 365 u.a./tonne for those to the three new Member States.

On 29 June 1976 the Commission increased the minimum prices imposed on Greece to 587 u.a./tonne for exports to the Community as originally constituted and to 440 u.a./tonne for exports to the three new Member States.

Thirdly, in order to facilitate the sale of Community products to the three new Member States, regulation No. 1930/75 of 22 July 1975 introduced compensatory amounts for trade in tomato concentrates between the Community as originally constituted and the new Member States.

3. In the proposal now before the European Parliament, the Commission proposes to further increase the sale to the three new Member States of tomato derivatives produced in the Community as originally constituted.

For this purpose, peeled tomatoes will be brought under the system of 'accession' compensatory amounts which previously applied only to tomato concentrates. These amounts are a form of subsidy for exports of Community products to the three new Member States and therefore help to offset the considerable difference in price between Community products and those from third countries.

4. In addition, the schedule for the removal of the compensatory amounts on tomato concentrates has been retarded. On 1 July 1976 these amounts were to have been reduced from 60% to 40% of the export refund. Under the present proposal the amounts are to be held at 50% (instead of 40%) of the refund for the 1976/77 marketing year. In the following year the corresponding amount will be 25% of the refund, instead of 20% as planned.

In actual figures, since the export refund was fixed at 200 u.a./tonnes, the compensatory amount for 1976/1977 will be 100 u.a./tonne instead of 80 u.a./tonne, and 50 u.a./tonne instead of 40 u.a./tonne for the following marketing year.

As to quantities, the Commission mentions 6,600 tonnes for the 76/77 marketing year and 4,000 tonnes for the period from July to December 1977, i.e. until the end of the transitional period applicable to the three new Member States.

5. As for peeled tomatoes, the compensatory amount is fixed at 20% of the refund for the 1976/1977 marketing year, i.e. 24 u.a./tonne, and 10% in 1977/1978, i.e. 12 u.a./tonne. The quantities envisaged are 75,000 tonnes for the first year, and 37,500 for the period from July to December 1977.

6. The cost to the EAGGF Guarantee Section is estimated at approximately 129 m u.a. for 1976 financial year and 2.39 m u.a. for 1977.

7. The Committee on Agriculture feels bound to make some comments on these proposals. First of all, it is questionable whether the measures now proposed will be sufficient in themselves to boost sales of these products in three new Member States. While regarding these measures in a positive light, the Committee on Agriculture considers that they are not in themselves sufficient to bring about a substantial reduction in the present surplus due to an abnormal conjunctural situation. Community intervention at several levels will therefore be necessary, including adjustment, where necessary, of the export refunds, reference prices and minimum prices. This will prevent abnormally low priced imports (sometimes at prices even below the production cost) from certain third countries from seriously disturbing the Community market. To this end stringent control of compliance with the reference prices - which do not always constitute an adequate protective mechanism - will be desirable.

8. The tomato concentrates problem has been the subject of discussion (if the recent negotiations) between the Community and the Maghreb countries, particularly Algeria and Tunisia. Agreement was finally reached with these two countries on a 30% reduction in customs duties, but only from a date and for periods to be determined by means of an annual exchange of letters between the contracting parties to establish the implementing provisions. It is to be hoped that in these exchanges, the Community will bear in mind

the particular situation of the market in these products which represent an important source of income for many southern regions amongst the least favoured in the Community.

9. In conclusion, while it approves the Commission's proposals, the Committee on Agriculture hopes that the problem of tomato concentrates and peeled tomatoes will be tackled with a comprehensive series of measures either strengthening protection against imports from third countries or providing incentives for disposal on Community markets and exports to third countries.