

Procedure file

| Basic information | | |
|---|--------------------------------|---------------------|
| CNS - Consultation procedure Regulation | 1997/0066(CNS) | Procedure completed |
| Hops: common organisation of the market COM (amend. regul. 1696/71/EEC) | | |
| Subject 3.10.06.09 Industrial plants, tobacco, hops | | |

| Key players | | | |
|-------------------------------|---|---------------------------------------|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | AGRI Agriculture and Rural Development | | 22/04/1997 |
| | | PPE MAYER Xavier | |
| | Committee for opinion | Rapporteur for opinion | Appointed |
| | BUDG Budgets | | 15/04/1997 |
| | | PSE KATIFORIS Giorgos | |
| Council of the European Union | Council configuration | Meeting | Date |
| | Agriculture and Fisheries | 2025 | 22/07/1997 |

| Key events | | | |
|------------|---|---|---------|
| 07/03/1997 | Legislative proposal published | COM(1997)0098 | Summary |
| 14/05/1997 | Committee referral announced in Parliament | | |
| 01/07/1997 | Vote in committee | | Summary |
| 01/07/1997 | Committee report tabled for plenary, 1st reading/single reading | A4-0228/1997 | |
| 18/07/1997 | Debate in Parliament |  | |
| 18/07/1997 | Decision by Parliament | T4-0416/1997 | Summary |
| 22/07/1997 | Act adopted by Council after consultation of Parliament | | Summary |
| 22/07/1997 | End of procedure in Parliament | | |
| 02/08/1997 | Final act published in Official Journal | | |

| Technical information | |
|-----------------------|----------------|
| Procedure reference | 1997/0066(CNS) |

| | |
|----------------------------|------------------------------|
| Procedure type | CNS - Consultation procedure |
| Procedure subtype | Legislation |
| Legislative instrument | Regulation |
| Legal basis | EC before Amsterdam E 043 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | AGRI/4/08819 |

Documentation gateway

| | | | | | |
|---|--|--|------------|-----|---------|
| Legislative proposal | | COM(1997)0098 OJ C 127 24.04.1997, p. 0011 | 07/03/1997 | EC | Summary |
| Economic and Social Committee: opinion, report | | CES0602/1997 OJ C 287 22.09.1997, p. 0072 | 29/05/1997 | ESC | Summary |
| Committee report tabled for plenary, 1st reading/single reading | | A4-0228/1997 OJ C 286 22.09.1997, p. 0007 | 01/07/1997 | EP | |
| Text adopted by Parliament, 1st reading/single reading | | T4-0416/1997 OJ C 286 22.09.1997, p. 0326-0343 | 18/07/1997 | EP | Summary |

Additional information

| | |
|---------------------|-------------------------|
| European Commission | EUR-Lex |
|---------------------|-------------------------|

Final act

| |
|--|
| Regulation 1997/1554 OJ L 208 02.08.1997, p. 0001 Summary |
|--|

Hops: common organisation of the market COM (amend. regul. 1696/71/EEC)

OBJECTIVE: To amend Regulation (EEC) 1696/71 on the common organization of the market in hops, with a view to facilitating the sector's adjustment to market requirements by strengthening the role of the producer groups. SUBSTANCE: In relation to the present situation, the proposed modifications can be summed up in four major points: (1) the granting of flat-rate annual aid per hectare based on historical averages, with no distinction between the various groups or varieties and payment being made as soon as possible after the harvest; the aid comprises two amounts existing under the previous scheme, i.e. aid to producers and aid for varietal conversion and amounts to ECU 450/ha; (2) the possibility for members of recognized producer groups to market all or part of their produce themselves, without any reduction in the aid resulting by way of a penalty, where they are so authorized by the group; the latter has the right to monitor prices negotiated between producers and traders and can grant or refuse approval for the conclusion of contracts; in the event of disagreement on prices proposed, the producer group is under an obligation to take over the hops at a higher price and find another purchaser; (3) the possibility of varietal conversion on a permanent basis, i.e. with no limit in area or time, payment being covered by the flat rate aid per hectare; (4) the possibility of withholding up to 20% (100% under the present system) of the aid to producers to implement special measures such as rationalization and mechanization of cultivating and harvesting, the adoption of common rules on production, varietal conversion, promotion, measures to determine and improve quality and research; should producer groups not market their members' whole production, this possibility becomes an obligation, the percentage in that case continuing to stand at 20%; during the fifth year following the entry into force of the Regulation, there is provision for an assessment to be made of the measures applied and of their impact on the sector. ?

Hops: common organisation of the market COM (amend. regul. 1696/71/EEC)

The Committee broadly welcomes the proposal to amend the market organization in hops; this proposal retains the principles of market organization followed in the past and is aimed at income and market stability. However, the Committee would also urge that temporary set-aside arrangements be introduced for hop- growing areas. This would play a vital part in ensuring a more flexible adaptation to changing market conditions and in securing European farmers' market share. The Committee feels that, given poor market conditions at the moment, and with forecasts for the next few years less than favourable, a considerable increase in aid levels is essential if producers' income is to be stabilized.?

Hops: common organisation of the market COM (amend. regul. 1696/71/EEC)

The Committee adopted the report by Xaver MAYER (EPP, D) on the proposal for a regulation amending the Common Organisation of the Market (COM) in hops. Technological progress and changes in tastes have in recent years seen demand for varieties of hops with a high alpha acid content. Some traditionally cultivated varieties no longer sufficiently meet these requirements. In addition, the hop market is currently beset by global structural surpluses, because the new varieties have higher yields. As a result, there is an urgent need to convert production to the new varieties. This requires major investment and will have to be supported under the COM if European growers are to stand up to competition from the USA, where hops are grown on a much larger scale. Existing hop plants therefore need to be grubbed-up so that structural surpluses can be kept to a minimum and old varieties replaced with new. The Commission proposal would withhold aid from grubbed-up areas but the Committee is calling for aid to continue for a limited transition period (known as "temporary set-aside"). At the end of this period, the farmer would have to decide whether or not to abandon hop-growing. Such a system would not burden the EAGGF with any extra costs. The committee also proposed that producer groups be allowed to use up to 40% of this aid (rather than the 20% proposed by the Commission) for common objectives, with the remaining 60% being redistributed to individual farmers. The Committee believes that further steps are needed to support exports of Europe's hops, e.g. publicity and sales promotion campaigns, selective buying-in operations to stabilise the market, safeguarding and improvement of quality, targeted research and authorisation of plant protection products. Lastly the committee is calling for an increase in the level of aid (500 ECU rather than 450 ECU per hectare), which would be based on historical averages for the last three years, rather than the last 10 years as proposed by the Commission. ?

Hops: common organisation of the market COM (amend. regul. 1696/71/EEC)

The European Parliament adopted the report by Mr Xaver MAYER (PPE, D) on the proposal to amend the Regulation on the common organization of the market in hops. Whereas the Commission had proposed excluding from aid areas which have been cleared of hops, Parliament called for such aid to continue to be paid for a limited transitional period (provisional set-aside). At the end of the period, the producer would have to decide either to replant the hops or to withdraw the land from hop cultivation. This system would not entail any additional costs to the EAGGF. It should be noted that the aid may also be granted in respect of areas which are temporarily not planted with hops, provided that the following conditions are met: reusable hop-growing facilities are maintained in good condition, the areas are given permanent grass cover to improve soil fertility, and the areas under hops are not extended to include other farmland. On the other hand, Parliament proposed that, in order to attain common aims, producer groups should be able to use up to 40% of the aid (rather than 20% as proposed by the Commission), and that the remaining 60% should be redistributed to individual farmers. The proportion of the aid to producers withheld by producer groups could be cumulated over a period not exceeding five years. As regards ensuring the presence of Community hops on export markets, Parliament considered it necessary to do more than the Commission had proposed, particularly by means of the following measures: cultivation of markets by conducting publicity and sales promotion campaigns; stabilization of the market by means of selective buying-in operations; determination, safeguarding and improvement of quality; targeted research in the fields of production and marketing; authorization of plant protection products. Lastly, Parliament called for an increase in aid (from ECU 450 to ECU 500 per hectare per annum). It should be calculated on the basis of the average for the last three years rather than the last ten as proposed by the Commission. ?

Hops: common organisation of the market COM (amend. regul. 1696/71/EEC)

The Council approved a amendment to Regulation (EEC) No 1696/71), by a qualified majority, with the United Kingdom delegation voting against,?

Hops: common organisation of the market COM (amend. regul. 1696/71/EEC)

OBJECTIVE: to adopt a "mini reform" of the hop market with a view to adjusting the sector to market requirements and making a set of partially temporary measures permanent. COMMUNITY MEASURE: Council Regulation (EC) No 1554/97 amending Regulation (EEC) No 1696/71 on the common organization of the market in hops. CONTENT: the regulation makes provision for aid to be granted to producers over a period of 5 years. This aid is justified by the low level of farmers' income in relation to the high production costs in this sector. The amendments in relation to present legislation may be summarized as follows: - simplification of the system by granting flat-rate annual aid of ECU 480 per hectare, valid for a period of 5 years, with no distinction between groups of varieties; - the possibility for members of recognized producer groups to market all or part of their produce themselves, where they are authorized to do so; - the possibility of withholding up to 20% of the aid to producers for special measures, including varietal conversion. This possibility becomes an obligation where producer groups do not market their members' whole production; - the possibility for a producer to be established in a different Member State from that of the group of which he is a member. ENTRY INTO FORCE: 5 August 1997. The Regulation will be applicable from 1 January 1997.?