

Procedure file

Basic information		
CNS - Consultation procedure Regulation	2003/0009(CNS)	Procedure completed
Common agricultural policy CAP, reform: rice, common organisation of the market CMO		
Amended by 2006/0028(CNS)		
Subject 3.10.03 Marketing and trade of agricultural products and livestock 3.10.06.03 Cereals, rice		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	AGRI Agriculture and Rural Development		23/01/2003
		V/ALE BAUTISTA OJEDA Carlos	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets		19/02/2003
		PPE-DE HERRANZ GARCÍA Esther	
Council of the European Union	ITRE Industry, External Trade, Research, Energy		20/02/2003
		PPE-DE FIORI Francesco	
	Council configuration	Meeting	Date
	Agriculture and Fisheries	2528	29/09/2003
	Agriculture and Fisheries	2516	25/06/2003
	Agriculture and Fisheries	2494	17/03/2003
	Agriculture and Fisheries	2481	27/01/2003
European Commission	Commission DG Agriculture and Rural Development	Commissioner	

Key events			
21/01/2003	Legislative proposal published	COM(2003)0023	Summary
27/01/2003	Debate in Council	2481	
13/02/2003	Committee referral announced in Parliament		
17/03/2003	Debate in Council	2494	
20/05/2003	Vote in committee		Summary

20/05/2003	Committee report tabled for plenary, 1st reading/single reading	A5-0183/2003	
03/06/2003	Debate in Parliament		
05/06/2003	Decision by Parliament	T5-0260/2003	Summary
29/09/2003	Act adopted by Council after consultation of Parliament		
29/09/2003	End of procedure in Parliament		
21/10/2003	Final act published in Official Journal		

Technical information

Procedure reference	2003/0009(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amended by 2006/0028(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 037-p2; EC Treaty (after Amsterdam) EC 036
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/5/19133

Documentation gateway

Legislative proposal	COM(2003)0023	21/01/2003	EC	Summary
Economic and Social Committee: opinion, report	CES0592/2003 OJ C 208 03.09.2003, p. 0072-0075	14/05/2003	ESC	
Committee report tabled for plenary, 1st reading/single reading	A5-0183/2003	20/05/2003	EP	
Text adopted by Parliament, 1st reading/single reading	T5-0260/2003 OJ C 068 18.03.2004, p. 0332-0563 E	05/06/2003	EP	Summary
Committee of the Regions: opinion	CDR0066/2003 OJ C 256 24.10.2003, p. 0018-0023	02/07/2003	CofR	
Implementing legislative act	32005R0489 OJ L 081 30.03.2005, p. 0026-0037	29/03/2005	EU	Summary

Additional information

European Commission	EUR-Lex
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Final act

Regulation 2003/1785 OJ L 270 21.10.2003, p. 0096-0113 Summary

Common agricultural policy CAP, reform: rice, common organisation of the market CMO

PURPOSE : to repeal and replace Council Regulation 3072/95/EC on the common organisation of the market in rice. **CONTENT** : the above-mentioned Regulation is repealed due to having been amended several times, with further amendments necessary. The Commission seeks to stabilise market balances due notably to the impact of the Everything but Arms (EBA) initiative. It proposes a one step reduction of the intervention price of rice by 50% to an effective support price of EUR 150/t in line with world prices. To stabilise producers' revenues, the current direct aid will be increased from EUR 52/t to EUR 177/t, a rate equivalent to the total cereals compensation over the 1992 and Agenda 2000 reforms. Of this, EUR 102/t will become part of the single farm payment and paid on the basis of historical rights limited by the current maximum guaranteed area (MGA). (Please see CNS 030006.) The remaining EUR 75/t multiplied by the 1995 reform yield will be paid as a crop specific aid. The MGA will be set at the 1999-2001 average or the current MGA, whichever is lower. A private storage scheme will be introduced, and triggered when the market price falls below the effective support price. In addition, special measures will be triggered when market prices fall below EUR 120/t. The proposed Regulation also deals with import and export measures and other matters consequent on a common market in this product.?

Common agricultural policy CAP, reform: rice, common organisation of the market CMO

The committee adopted the report by Carlos BAUTISTA OJEDA (Greens/EFA, E) amending the proposal under the consultation procedure. Although it backed the Commission's decision to cut the intervention price for rice, to bring European prices down to world levels, the committee argued that the proposed cut of 50% should be fully compensated by direct aid to farmers of EUR 200 per tonne (as opposed to the partial compensation of EUR 177 per tonne proposed by the Commission). MEPs also opposed the proposal to set up a private storage system for surpluses whenever the market price for rice falls below the basic intervention price. In the case of paddy rice the committee wanted to delete the proposal for a special aid measure when the average market price for this product falls below EUR 120 per tonne for two consecutive weeks. Instead the committee wanted the intervention price for paddy rice to be EUR 150 per tonne from 2004/2005, to make it more competitive. ?

Common agricultural policy CAP, reform: rice, common organisation of the market CMO

The European Parliament adopted a resolution drafted by Carlos BAUTISTA OJEDA (Greens/EFA, E), amending the Commission's proposal. (Please see the document dated 20/05/03.) Parliament felt that the revision of the market in rice should take account of the specific nature of the crop, which requires special agro-climatic conditions, resulting in its concentration mainly in wetland areas of high environmental interest as the sole crop without alternatives. Rice growing in these areas is vital for the survival of protected habitats. All these features mean that rice-growing areas are of considerable environmental and social which needs to be preserved. Aid must fully compensate for any loss of income and reflect the importance of that income in rice growing areas, especially wetland areas benefiting from environmental protection. Parliament added that the system for trade with third countries laid down in the WTO Agreement on Agriculture provides for the application of a system of maximum import prices under which the entry price and the intervention price for paddy rice are linked. This system does not take into consideration the processing costs for paddy rice, as a result of which rice of a higher quality and a higher price is imported into the Community market at a lower tariff. The Commission should be given a mandate to open negotiations to modify the bound tariffs for rice in order to arrive at a system of fixed tariffs which are no longer linked to the intervention price. Parliament specified that there must be measures to verify that imported rice complies with the same requirements as those laid down for Community rice. This includes the social conditions of producers in the countries of origin. Special monitoring measures must be introduced to prevent rice from entering the Community with reduced or zero import duties by virtue of preferential agreements with third countries (triangulation), together with special monitoring measures to prevent possible irregularities in the inward processing transit regime. Before 31 December 2006, the Commission must report on the impact of the measures adopted in this Regulation. That report must also evaluate the consequences of the tariff reductions granted as part of the 'Everything But Arms' Agreement. In particular, the report must analyse the systems for monitoring the rules of origin for imported rice and the methods used to produce, trace and label it. It will also evaluate the effects of the 'Everything But Arms' Agreement on the economy of the less-developed countries, the distribution of their agricultural income, job creation and the reinvestment of profits.?

Common agricultural policy CAP, reform: rice, common organisation of the market CMO

PURPOSE : to repeal and replace Council Regulation 3072/95/EC on the common organisation of the market in rice. **LEGISLATIVE ACT** : Council Regulation 1785/2003/EC on the common organisation of the market in rice. **CONTENT** : the Council formally adopted the Regulations on reform of the Common Agricultural Policy, without debate and by a qualified majority, the Portuguese delegation voting against the "horizontal" Regulation and the Regulation establishing a levy in the milk and milk products sector. Statements by the Council, Belgium, France, the Netherlands, Luxembourg, Austria, Finland, the United Kingdom, Portugal (giving reasons for voting against) and the Commission are appended to the legal texts adopted. Initially based on principles (Articles 32 to 38 of the Treaty) intended to ensure self-sufficiency in food for the European Community by increasing agricultural productivity, to guarantee a high income to farmers, to stabilise markets and to provide agricultural products at a reasonable price to consumers, the reformed CAP henceforth introduces a new key element, a pillar of the reform, which is the partial decoupling of production-related aid, based on a reference period (2000-2002); it now makes payment of such aid conditional on compliance with rules on the environment, animal welfare, hygiene standards and preservation of the countryside. The key elements of the new, reformed CAP in a nutshell: - a single farm payment for EU farmers, independent from production; limited coupled elements may be maintained to avoid abandonment of production, - this payment will be linked to the respect of environmental, food safety, animal and plant health and animal welfare standards, as well as the requirement to keep all farmland in good agricultural and environmental condition ("cross-compliance"), - a strengthened rural development policy with more EU money, new measures to promote the environment, quality and animal welfare and to help farmers to meet EU production standards starting in 2005, - a reduction in direct payments ("modulation") for bigger farms to finance the new rural development policy, - a mechanism for financial discipline to ensure that the farm budget fixed until 2013 is not overshot, - revisions to the market policy of the CAP: - asymmetric price cuts in the milk sector: The intervention price for butter will be reduced by 25% over four years, which is an additional price cut of 10% compared to Agenda 2000, for skimmed milk powder a 15% reduction over three years, as agreed in Agenda 2000, is retained, - reduction of the monthly increments in the cereals sector

by half, the current intervention price will be maintained, - reforms in the rice, durum wheat, nuts, starch potatoes and dried fodder sectors. As regards rice: in order to stabilise market balances due notably to the impact of the Everything but Arms (EBA) initiative, the Council decided a one step reduction of the intervention price by 50% to EUR 150/t in line with world market prices. Intervention will be limited to 75 000t per year. To stabilise producers' revenues, the current direct aid will be increased from EUR 52/t to 177/t, a rate equivalent to the totalcereals compensation over the 1992 and Agenda 2000 reforms. Of this, EUR 102/t will become part of the single farm payment and be paid on the basis of historical rights limited by the current maximum guaranteed area (MGA). The remaining EUR 75/t multiplied by the 1995 reform yield will be paid as a crop specific aid. The MGA will be set at the 1999-2001 average or the current MGA, whichever is lower. The Council also invited the Commission to open negotiations in the framework of the WTO for the modification of the bound duties for rice with the EU's trading partners. ENTRY INTO FORCE : 28/10/03.?

Common agricultural policy CAP, reform: rice, common organisation of the market CMO

LEGISLATIVE ACT: Commission Regulation 489/2005/EC laying down detailed rules for implementing Council Regulation 1785/2003/EC as regards determining the intervention centres and the taking over of paddy rice by the intervention agencies.

CONTENT: Regulation 1785/2003/EC defines the standard quality of paddy rice for which the intervention price is fixed. To encourage the production of good quality rice, the intervention criteria are being strengthened. An increase in milling yields, and a simultaneous reduction in the tolerance of yields that deviate from the basic yield are the most effective ways of promoting quality rice production and ensuring the quality of the rice stored by the intervention agencies.

To ensure the satisfactory management of intervention, a minimum quantity should be fixed for each offer. However, provision is made for setting a higher limit so that account can be taken of the trading customs and conditions pertaining on the wholesale market in some Member States.

Paddy rice whose quality does not permit suitable use or storage should not be accepted for intervention. When fixing the minimum quality, particular consideration should be given to weather conditions in the rice-growing areas of the Community. In order to allow uniform lots to be taken over, each lot must be made up of the same rice variety.

Regulation 1785/2003/EC lays down that the intervention price be fixed for paddy rice of a specific standard quality and that, if the quality of the rice offered for intervention differs from that, the intervention price is adjusted by applying price increases/reductions.

For the application of the price increases and reductions, account is taken of the basic characteristics of the paddy rice, thereby allowing an objective assessment of its quality to be made; assessing the moisture content, the milling yield and grain defects, using simple and effective methods.

Regulation 1785/2003/EC also limits the quantity that can be bought in by the intervention agencies to 75 000 tonnes per marketing year. In order to allocate this quantity fairly, the quantities for each producer Member State are fixed, taking account of the national base areas fixed by Council Regulation 1782/2003/EC on common rules for direct support schemes under the CAP and establishing certain support schemes for farmers and the average yield.

To make the intervention scheme as simple and efficient as possible, offers should be submitted to the intervention centre closest to the place where the goods are stored and provisions on the costs of their transport to the store where the intervention agency takes them over laid down.

The checks to ensure that the requirements on the weight and quality of the goods offered are complied with are specified; a distinction being made between, on the one hand, acceptance of the goods offered after the quantity and compliance with the minimum quality requirements have been checked and, on the other hand, fixing the price to be paid to the applicant after the necessary tests have been carried out to identify the precise characteristics of each lot based on representative samples.

Specific provisions applying to cases where goods are taken over in the applicant's stores are laid down; in such cases, reference should be made to the applicant's stock accounts, subject to additional checks to ensure that the intervention agency's requirements on taking over are complied with.

DATE OF ENTRY INTO FORCE: 01/04/2005.