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**A5-0035/2001**

30 January 2001

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## **REPORT**

on the proposal for a Council regulation extending for a period of up to one year the financing of certain quality and marketing improvement plans approved under Title IIa of Regulation (EEC) No 1035/72 (COM(2000) 623 – C5-0533/2000 – 2000/0252(CNS))

Committee on Agriculture and Rural Development

Rapporteur: María Izquierdo Rojo

### ***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases  
covered by Articles 105, 107, 161 and 300 of the EC Treaty and  
Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission)

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## PROCEDURAL PAGE

By letter of 20 October 2000 the Council consulted Parliament, pursuant to Article 37 of the EC Treaty, on the proposal for a Council regulation extending for a period of up to one year the financing of certain quality and marketing improvement plans approved under Title IIa of Regulation (EEC) No 1035/72 (COM(2000) 623 - 2000/0252 (CNS)).

At the sitting of 27 October 2000 the President of Parliament announced that she had referred this proposal to the Committee on Agriculture and Rural Development as the committee responsible and the Committee on Budgets for its opinion (C5-0533/2000).

The Committee on Agriculture and Rural Development appointed María Izquierdo Rojo rapporteur at its meeting of 23 November 2000.

It considered the Commission proposal and draft report at its meetings of 24 January and 29 January 2001.

At the latter meeting it adopted the draft legislative resolution unanimously.

The following were present for the vote: Joseph Daul (acting chairman); Encarnación Redondo Jiménez (vice-chairman); María Izquierdo Rojo (rapporteur); Gordon J. Adam, Reimer Böge (for Michl Ebner), Niels Busk, António Campos, Arlindo Cunha, Jonathan Evans (for Xaver Mayer), Christel Fiebiger, Carmen Fraga Estévez (for Francesco Fiori), Georges Garot, Lutz Goepel, Willi Görlach, Salvador Jové Peres, Heinz Kindermann, Christa Klauf (for Agnes Schierhuber), Dimitrios Koulourianos, Jean-Charles Marchiani (for Sergio Berlato pursuant to Rule 153(2)), Jan Mulder (for Giovanni Procacci) and Mikko Pesälä.

The Committee on Budgets decided on 23 November 2000 not to deliver an opinion.

The report was tabled on 30 January 2001.

The deadline for tabling amendments is 12 noon on 8 February 2001.

## LEGISLATIVE PROPOSAL

**Proposal for a Council regulation extending for a period of up to one year the financing of certain quality and marketing improvement plans approved under Title IIa of Regulation (EEC) No 1035/72 (COM(2000) 623 – C5-0533/2000 – 2000/0252(CNS))**

The proposal is amended as follows:

Text proposed by the Commission <sup>1</sup>	Amendments by Parliament
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(Amendment 1) Title	
Proposal for a COUNCIL REGULATION	Proposal for a COUNCIL REGULATION
extending <i>for a period of up to one year</i> the financing of certain quality and marketing improvement plans approved under Title IIa of Regulation (EEC) No 1035/72	extending the financing of certain quality and marketing improvement plans <i>and the direct aid for hazelnuts</i> approved under Title IIa of Regulation (EEC) No 1035/72 <i>and Article 55 of Regulation (EC) No 2200/96</i>

*Justification:*

*The programmes that expire in the year 2000 and thereafter are the quality and marketing improvement plans for nuts and locust beans approved under Regulation (EEC) No 1035/72, together with the flat-rate aid for the hazelnut sector for the 1997/1998, 1998/1999 and 1999/2000 marketing years approved under Article 55 of Regulation (EC) No 2200/96.*

(Amendment 2)  
Citation 2a (new)

***Having regard to the European Parliament resolution of 16 June 2000 on support measures for nuts and locust beans (B5-0566/2000)<sup>1</sup>,***

<sup>1</sup> *Text adopted on said date.*

*Justification:*

*The European Parliament resolution adopted on 16 June 2000 called for a continuation of the aid granted to nut and locust bean producers until such time as the reform of the COM in fruit and vegetables took effect. Hence the need to reiterate the call for these measures to be*

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<sup>1</sup> OJ C not yet published.

*extended until such time as the Commission makes good its undertaking to submit a report on the nut and locust bean sector in the context of the general report on the COM in fruit and vegetables in which provision is made, where appropriate, for fresh support measures for nuts and locust beans.*

(Amendment 3)  
Citation 2b (new)

***Having regard to the European Parliament resolution of 26 October 2000 on changes to the COM in fruit and vegetables (A5-0273/2000)<sup>2</sup>,***

<sup>2</sup> *Text adopted on said date.*

*Justification:*

*The report adopted by the European Parliament emphasised the need to provide permanent support to this sector which, though small, is of major regional importance.*

(Amendment 4)  
Recital 1

Title IIa of Council Regulation (EEC) No 1035/72 of 18 May 1972, on the common organisation of the market in fruit and vegetables, provides for various specific measures to make good the inadequacy of production and marketing facilities for certain nuts and locust beans. Aid is provided to producer organisations which have received specific recognition and which have submitted a plan approved by the competent authority for improving the quality and the marketing of their produce.

Title IIa of Council Regulation (EEC) No 1035/72 of 18 May 1972, on the common organisation of the market in fruit and vegetables, provides for various specific measures to ***guard against the cessation of crop-growing***, make good the inadequacy of production and marketing facilities for certain nuts and locust beans ***and cope with the strong competition from imports from third countries resulting from the erosion of Community preference***. Aid is provided to producer organisations which have received specific recognition and which have submitted a plan approved by the competent authority for improving the quality and the marketing of their produce.

*Justification:*

*The structural crisis affecting these areas of production, which will die out if starved of Community support, should be mentioned, as should the root cause of this situation, namely the loss of competitiveness experienced as the bilateral and multilateral trade agreements signed by the EU have eroded Community preference and thus led to an influx of imports from third countries.*

(Amendment 5)  
Recital 1a (new)

***(1a) Nut and locust bean crops have a highly beneficial impact on employment, the environment and the landscape and enable farms to diversify and survive, while at the same time impeding the spread of desertification.***

*Justification:*

*With desertification steadily making inroads into the Mediterranean regions of Europe, the survival of these crops is a vital means of conserving the landscape and maintaining the environmental balance.*

(Amendment 6)  
Recital 1b (new)

***(1b) In paragraph 2 of its resolution of 16 June 2000 the European Parliament specifically advocated extending the aid granted to nut and locust bean producers, including measures aimed at improving quality and marketing, and flat-rate direct aid for hazelnut cultivation, until such time as a new support regime is approved.***

*Justification:*

*The resolution of 26 October 2000 on changes to the COM in fruit and vegetables echoed the substance of the resolution of 16 June 2000.*

(Amendment 7)  
Recital 1c (new)

***(1c) In paragraph 1 of its resolution of 16 June 2000 the European Parliament also urged the Commission and the Council to adopt as soon as possible support measures for the Community's production of nuts and locust beans, including flat-rate aid per hectare aimed at guaranteeing the preservation of existing income levels for producers in that sector.***

*Justification:*

*Specific mention should be made of Parliament's request as set out in its resolution of 16 June 2000.*

(Amendment 8)

Recital 1d (new)

***(1d) Article 55 of Regulation (EC) No 2200/96, which establishes the common organisation of the market in the fruit and vegetables sector, grants flat-rate aid for hazelnuts harvested during the 1997/1998, 1998/1999 and 1999/2000 marketing years to recognised producer organisations which implement a quality improvement and marketing plan for their produce or an operational plan to cope with the particularly unfavourable circumstances affecting that sector.***

*Justification:*

*There has been no change in the conditions which prompted the introduction of the above measure, while the implementation period expired in the 1999/2000 marketing year.*

(Amendment 9)

Recital 2

Regulation (EEC) No 1035/72 was repealed by Council Regulation (EC) No 2200/96. However, ***as specified by*** Article 53 of Regulation (EC) No 2200/96, any rights acquired by producer organisations in application of Title IIa of Regulation (EEC) No 1035/72 are maintained until exhausted.

Regulation (EEC) No 1035/72 was repealed by Council Regulation (EC) No 2200/96, ***with no provision made for the specific measures for nuts and locust beans to remain in place.*** However, Article 53 of Regulation (EC) No 2200/96 ***merely specifies that*** any rights acquired by producer organisations in application of Title IIa of Regulation (EEC) No 1035/72 are maintained until exhausted.

*Justification:*

*Attention should be drawn to the fact that the particular problem area of nuts and locust beans did not feature in Regulation (EC) No 2200/96.*

(Amendment 10)

Recital 2a (new)



***(2a) The general measures provided for in Regulation (EC) No 2200/96 constitute an inadequate and inappropriate response to the specific needs with regard to nuts and locust beans. Nonetheless, there is sufficient financial margin in the COM in fruit and vegetables to fund the modest degree of support required for the Community's nut and locust bean production.***

*Justification:*

*Since the 1996 reform of the COM in fruit and vegetables, the measures provided for no longer address the specific nature of the sector in question. Throughout the period in which these rules have been applied, real expenditure has not even reached 80% of the appropriations available.*

(Amendment 11)

Recital 3

The specific aid granted towards the drawing up and implementation of the quality and marketing improvement plan as specified in Article 14(d)(2) of Regulation (EEC) No 1035/72 is restricted to a period of 10 years and the maximum level of aid ***degressive to allow a progressive shift of financial responsibility on to the producers.***

The specific aid granted towards the drawing up and implementation of the quality and marketing improvement plan as specified in Article 14(d)(2) of Regulation (EEC) No 1035/72 is restricted to a period of 10 years and the maximum level of aid ***remains constant for the final 5 years, with Community co-financing of 45% and a contribution from the Member State of 10%, so as to control Community spending and give responsibility to the Member States and producer organisations.***

*Justification:*

*The wording of the text should be altered, since it inaccurately reflects the real situation as regards the degressive nature of aid for quality and marketing improvement plans. There are two maximum levels of aid which cover two five-year periods, but both remain constant. Moreover, the maximum level for the initial period covers more costly grubbing, replanting and varietal reconversion measures. The text should also reflect the fact that the measure already places financial responsibility on the Member States and producers.*

(Amendment 12)

Recital 4

A number of plans expired in 2000, having

A number of plans expired in 2000, having

completed the 10th year.

completed the 10th year, ***while others are due to expire shortly, in 2001. Specific aid for hazelnuts ended in the 1999/2000 marketing year.***

*Justification:*

*The state of play with regard to the plans which expire in 2001 and the fact that aid for hazelnuts is no longer provided should be mentioned.*

(Amendment 13)

Recital 5

Regulation (EC) No 2200/96 provides that the Commission shall send the Council a report on the operation of this Regulation. This report shall include an assessment of the results of the specific measures for nuts and locust beans ***carried out under Title IIa of Regulation (EEC) No 1035/72 and may*** provide for further support measures. Until such time, those producer organisations whose improvement plans expire in 2000, and who continue to fulfil the recognition criteria, may request continued financing of their plans ***within the 2001 budget.***

Regulation (EC) No 2200/96 provides that the Commission shall send the Council a report on the operation of this Regulation. This report shall include an assessment of the results of the specific measures for nuts and locust beans and ***shall*** provide for further support measures. Until such time, those producer organisations whose improvement plans expire in 2000 ***or 2001***, and who continue to fulfil the recognition criteria, may request continued financing of their plans. ***Likewise, those producer organisations in the hazelnut sector which meet the requirements set out in Article 55 of Regulation (EC) No 2200/96 may request flat-rate aid for the 2000/2001 and 2001/2002 marketing years.***

***On the basis of a Commission proposal, the Council, after consulting the European Parliament, shall decide to extend these measures for the period required, until such time as the replacement support measures for this sector enter into force.***

*Justification:*

*Parliament's resolution of 26 October 2000 on changes to the COM in fruit and vegetables urged the Commission to submit proposals for this sector before the end of the year 2000, with a view to guaranteeing it permanent support. The proposal for a maximum extension period of one year is inconsistent with Parliament's repeated desire to see the sector benefit from lasting support.*

*Moreover, the plans approved in 1991 are due to expire, the first of them in just one month's time, and ought thus to be extended as well, so as to prevent the producer organisations*

*concerned from being left in a vulnerable position. Likewise, it would be logical to extend flat-rate aid for hazelnuts for a further two marketing years, since there has been no change in the conditions which prompted the introduction of the measure, and make provision for the transitional measures to remain in place pending the adoption of permanent support measures for the sector.*

(Amendment 14)

Recital 6

Only aid applications in respect of work carried out until **15.6.2001** qualify for financing ***within the 2001 budget***.

***As regards quality and marketing improvement plans***, only aid applications in respect of work carried out until **31.12.2002** qualify for financing.

*Justification:*

*Given that funding has to be found for all of the work performed under each plan, and that the improvement plans are due to expire in succession in the course of the year, the deadline should be 31 December 2002.*

(Amendment 15)

Recital 8

The above-mentioned period of ***up to one year*** is not sufficient to complete work of grubbing operations followed by replanting and/or varietal reconversion. The maximum aid per hectare therefore should be paid in respect of other operations as specified in Article 2(1) third subparagraph and paragraph 2 of Council Regulation (EEC) No 790/89.

The above-mentioned period of ***two years*** is not sufficient to complete work of grubbing operations followed by replanting and/or varietal reconversion. The maximum aid per hectare therefore should be paid in respect of other operations as specified in Article 2(1) third subparagraph and paragraph 2 of Council Regulation (EEC) No 790/89.

*Justification:*

*This amendment ties in with the two-year extension for the quality and marketing improvement plans approved in 1990.*

(Amendment 16)

Recital 8a (new)

***(8a) At present the COM in fruit and vegetables does not take account of chestnut and pistachio nut production. These two products ought thus to be included in Annex I of Regulation (EC) No***

***2200/96, so that producers in these sectors may benefit from the standardisation and structuring process in producer organisations.***

*Justification:*

*The inclusion of these products (i.e. chestnuts and pistachio nuts) under Regulation (EC) No 2200/96 would ensure that specific programmes were established in the nut sector.*

(Amendment 17)  
Article 1

Recognised producer organisations engaged in the production and marketing of nuts and/or locust beans as specified in Article 14(a) of Regulation (EEC) No 1035/72 whose quality and marketing improvement plans were approved in 1990 may request continued financing of their plans for a further period of ***up to*** one year subject to the rules laid down in this regulation.

Recognised producer organisations engaged in the production and marketing of nuts and/or locust beans as specified in Article 14(a) of Regulation (EEC) No 1035/72 whose quality and marketing improvement plans were approved in 1990 ***and 1991*** may request continued financing of their plans for a further period of ***two years and*** one year ***respectively***, subject to the rules laid down in this regulation.

*Justification:*

*Since the plans approved in 1991 are due to expire, the first of them in just one month's time, and bearing in mind the Commission proposal to extend the plans approved in 1990, the former ought to be extended as well, so as to prevent the producer organisations concerned from being left in a vulnerable position.*

(Amendment 18)  
ARTICLE 1a (new)  
Article 55 (Regulation (EC) No 2200/96)

***Article 1a***

***Article 55 of Regulation (EC) No 2200/96 is replaced by the following:***

***'Article 55***

***For hazelnuts produced in the 1997/1998, 1998/1999, 1999/2000, 2000/2001 and 2001/2002 marketing years, aid of EUR 15/100 kg shall be granted to producer organisations recognised***

***pursuant to Regulation (EEC) No 1035/72 or to this Regulation which have implemented a quality improvement plan within the meaning of Article 14d of Regulation (EEC) No 1035/72 or an operational plan within the meaning of this Regulation.'***

*Justification:*

*There has been no change in the conditions which prompted the introduction of the above measure, for which reason it should be extended for longer than the period of three marketing years provided for in Regulation (EC) No 2200/96.*

(Amendment 19)

ARTICLE 1b (new)

Article 55a (new) (Regulation (EC) No 2200/96)

***Article 1b***

***The following Article 55a is inserted after Article 55 in Regulation (EC) No 2200/96:***

***'Article 55a***

***The Commission shall submit proposals for incorporating the specific measures applicable to nuts and locust beans into this Regulation.'***

*Justification:*

*The specific measures for this sector should be included within the basic Regulation in the next reform of the COM in fruit and vegetables. Parliament adopted a resolution to this effect on 16 June 2000.*

(Amendment 20)

Article 2

The aid shall be paid in regard to, and limited to, those areas for which an aid application has been submitted in respect of the 10th year of the plan and is limited to a maximum of EUR 241,50 per hectare as set in Article 2(1) third subparagraph and 2(2) of Regulation (EEC) No 790/89. ***It*** shall apply for a period of ***up to*** one year

The aid ***for quality and marketing improvement plans*** shall be paid in regard to, and limited to, those areas for which an aid application has been submitted in respect of the 10th year of the plan and is limited to a maximum of EUR 241,50 per hectare as set in Article 2(1) third subparagraph and 2(2) of Regulation

immediately following the expiry of the 10th year of the plan and up to a latest date of **15.6.2001**.

Requests for extended financing of a plan in accordance with Article 1 are equivalent to the acceptance by the producer organisation to apply its plan as approved for the 10th year for **a** further period **of up to one year**.

(EEC) No 790/89. **For those improvement plans approved in 1990 it shall apply for a period of two years, and for those approved in 1991 it shall apply for a period of one year immediately following the expiry of the 10th year of the plan and up to a latest date of 31.12.2002.**

Requests for extended financing of a plan in accordance with Article 1 are equivalent to the acceptance by the producer organisation to apply its plan as approved for the 10th year for **the** further period **set out in the previous paragraph**.

*Justification:*

*Given that funding has to be found for all of the work performed under each plan, and that the improvement plans are due to expire in succession in the course of the year, the deadline should be 31 December 2002.*

(Amendment 21)  
Article 3a (new)

**Article 3a**

***On the basis of a Commission proposal, the Council, after consulting the European Parliament, shall decide to extend the measures provided for in this Regulation for the period required, until such time as the replacement support measures for this sector enter into force.***

*Justification:*

*Provision ought to be made for the transitional measures to remain in place pending the adoption of permanent support measures for the sector.*

(Amendment 22)  
Article 3b (new)

**Article 3b**

***The proposals which the Commission submits on permanent support measures for the nut and locust bean sector shall***

***include flat-rate aid per hectare aimed at guaranteeing the preservation of existing income levels for producers in that sector.***

*Justification:*

*Specific mention should be made of Parliament's requests aimed at securing lasting support for the sector by means of the introduction of flat-rate aid per hectare, to be managed by producer organisations with a view to enabling plantations to survive.*

## DRAFT LEGISLATIVE RESOLUTION

**European Parliament legislative resolution on the proposal for a Council regulation extending for a period of up to one year the financing of certain quality and marketing improvement plans approved under Title IIa of Regulation (EEC) No 1035/72 (COM(2000) 623 – C5-0533/2000 – 2000/0252(CNS))**

### **(Consultation procedure)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2000) 623)<sup>1</sup>,
  - having been consulted by the Council pursuant to Article 37 of the EC Treaty (C5-0533/2000),
  - having regard to Rule 67 of its Rules of Procedure,
  - having regard to the report of the Committee on Agriculture and Rural Development (A5-0035/2001),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
  3. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
  4. Asks to be consulted again if the Council intends to amend the Commission proposal substantially;
  5. Instructs its President to forward its position to the Council and Commission.

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<sup>1</sup> OJ C not yet published.