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REPORT

on the proposal for a Council regulation amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers

(COM(2005)0263 – C6-0244/2005 – 2005/0119(CNS))

Committee on Agriculture and Rural Development

Rapporteur: Jean-Claude Fruteau

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.)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a Council regulation amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers (COM(2005)0263 – C6-0244/2005 – 2005/0119(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2005)0263)¹,
 - having regard to Article 37(2), third subparagraph, of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0244/2005),
 - having regard to Rule 51 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development and the opinions of the Committee on Budgets, the Committee on Development, the Committee on Budgetary Control and the Committee on International Trade (A6-0392/2005),
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 if it intends to depart from the text approved by Parliament;
 4. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
 5. Instructs its President to forward its position to the Council and Commission.

Text proposed by the Commission

Amendments by Parliament

Amendment 1 RECITAL 1

(1) Council Regulation (EC) No/2005 (sugar reform) on the common organisation of the markets in the sugar sector provides for an important reform of the sugar

(1) Council Regulation (EC) No/2005 (sugar reform) on the common organisation of the markets in the sugar sector provides for an important reform of the sugar

¹ Not yet published in OJ.

common market organisation. The measures introduced by that Regulation include a **significant** reduction in the institutional support price for Community sugar **in two steps**.

common market organisation. The measures introduced by that Regulation include **in particular the replacement of the intervention mechanism by a reference price as from the 2010/2011 marketing year and** a reduction in the institutional support price for Community sugar **and in the minimum price for sugar beet**.

Amendment 2
RECITAL 1 A (new)

(1a) The abolition of the intervention mechanism as from the end of the 2009/2010 marketing year, the reduction of the reference or intervention price for white sugar, and the reduction of the minimum price for quota beet proposed by the reform of the common organisation of the market in sugar will lead to a substantial fall in sugar beet and chicory producers' incomes in certain areas, as well as the elimination of cultivation and of the industry linked to it in many other areas, for which compensation will be necessary.

Amendment 3
RECITAL 2

(2) As a consequence of reduced market support in the sugar sector, income support measures for sugar beet growers **should** be introduced. **That measure** should take the form of a payment to sugar beet and chicory growers the overall level of which **should** develop in parallel with the gradual reduction of market supports.

(2) In order to respect the principles of the common agricultural policy, whose objectives include ensuring fair living standards for the agricultural population and attaining the goal of social, economic and territorial cohesion referred to in the Treaties and set out in the Lisbon strategy, substantial compensation needs to be provided for the reduction in income affecting sugar beet and cane producers. To this end, as a consequence of reduced market support in the sugar sector, income support measures for sugar beet, sugar cane and chicory growers and their employees must be introduced. These measures should

seek to offset loss of income and to foster economic development in the regions concerned and, in so doing, create new sources of income for Community producers. They must take the form of a payment specifically allocated to sugar beet, sugar cane and chicory growers, the overall level of which must develop in parallel with the gradual reduction of market supports. Moreover, Member States should be allowed the necessary flexibility as regards the procedures for granting aid.

Amendment 4
RECITAL 2 A (new)

(2a) The reform of the common organisation of the markets in the sugar sector will not have a uniform impact on sugar beet and chicory growers. With a view to safeguarding social, economic and territorial cohesion within the Union, 90% of the income losses sustained by producers who during the reference period recorded average sugar-equivalent production figures of less than 100 tonnes should be offset. 75% of the income losses sustained by sugar beet producers who during the reference period recorded average annual sugar-equivalent production figures of less than 300 tonnes should be offset. Support for producers who during the reference period recorded average annual sugar-equivalent production figures of more than 300 tonnes should cover no more than 50% of the income lost.

Amendment 5
RECITAL 4

(4) In order to meet the objectives underlying the reform of the common agricultural policy, the support for sugar beet should be de-coupled and integrated

(4) In order to meet the objectives underlying the reform of the common agricultural policy, the support for sugar beet should be de-coupled and integrated into the single payment scheme. **However,**

into the single payment scheme.

the Member States may use part of the funding available for direct payments in order to ensure that sugar beet growers who continue production receive production-related aid.

Justification

The Member States should be allowed to link the granting of part of the aid earmarked for sugar beet growers to the continuation of production.

Amendment 6

RECITAL 6

(6) Sugar beet and chicory growers in the new Member States have benefited since accession from price support in the framework of Regulation (EC) No 1260/2001 of 19 June 2001 on the common organisation of the markets in the sugar sector. Therefore, the sugar payment and the sugar and chicory components in the single payment scheme should not be subject to the application of the schedule of increments provided for in Article 143a.

(6) Sugar beet and chicory growers in the new Member States have benefited since accession from price support in the framework of Regulation (EC) No 1260/2001 of 19 June 2001 on the common organisation of the markets in the sugar sector. Therefore, the sugar payment and the sugar and chicory components in the single payment scheme should not be subject to the application of the schedule of increments provided for in Article 143a. ***Moreover, the incorporation of the sugar payment into the single area payment scheme is liable to deprive beet growers of most of the beet compensatory aid. The Member States concerned should therefore be allowed to derogate from this simplified scheme and to grant beet growers compensatory aid taking account of beet-growing areas for the reference period.***

Justification

In the new Member States, the single area payment scheme was adopted in order to simplify administrative procedures. Under this simplified scheme, all aid is allocated to the total number of hectares. This aid is also subject to thresholds. The inclusion of sugar aid in this simplified single area payment scheme would entail a significant lowering of incomes for beet growers in the new Member States, contrary to the aim of this regulation. The new Member States should therefore be allowed to grant beet growers compensatory aid for sugar beet outside the single area payment scheme.

Amendment 7
ARTICLE 1, POINT 2 A (new)
Article 55, point (b) (Regulation (EC) No 1782/2003)

(2a) Point (b) of Article 55 is replaced by the following:

'(b) the land set-aside is used for the provision of arable crops (cereals, oilseeds, potatoes, sugar beet, etc.) for the manufacture within the Community of products not primarily intended for human or animal consumption, provided that effective control systems are applied.'

Justification

The development of the biofuels sector requires that sugar-beet growing for the production of bio-ethanol be authorised on hectares eligible for set-aside entitlements.

Amendment 8
ARTICLE 1, POINT 3 A (new)
Article 68 b (Regulation (EC) No 1782/2003)

(3a) In Title III, Chapter 5, Section 2, the following article is added:

"Article 68b

Sugar payments

In respect of payments for sugar beet and chicory, Member States may retain a percentage of the component of national ceilings referred to in Article 41 corresponding to payments for land under sugar beet or chicory used for the production of A or B sugar or inuline syrup and covered by a delivery contract concluded by the producer in accordance with Article 19 of Regulation (EC) No 1260/2001."

Amendment 9

ARTICLE 1, POINT 4 A (new)
Article 88, paragraph 1 (Regulation (EC) No 1782/2003)

(4a) Article 88(1) is replaced by the following:

"Aid of EUR 80 per hectare per year shall be granted for areas sown under energy crops, including arable crops (cereals, oilseeds, beet, potatoes, etc.), under the conditions laid down in this Chapter."

Amendment 10
ARTICLE 1, POINT 4 B (new)
Article 89, paragraph 1 (Regulation (EC) No 1782/2003)

(4b) Article 89(1) is replaced by the following::

"1. A maximum guaranteed area of 2 200 000 ha for which the aid may be granted is hereby established."

Amendment 11
ARTICLE 1, POINT 5
Article 110p, paragraph 1 (Regulation (EC) No 1782/2003)

1. In case of application of Article 71, for 2006, growers of sugar beet and chicory used for the production of inuline syrup shall qualify for a sugar payment. It shall be granted for the average number of hectares under sugar beet or chicory used for the production of **A and B** sugar or inuline syrup covered by the delivery contracts concluded by the grower in accordance with Article 19 of Council Regulation (EC) No 1260/2001* for a representative period of one or more marketing years as from the marketing years 2000/2001, to be determined by the Member State concerned in accordance with objective and non-discriminatory criteria.

1. In case of application of Article 71, for 2006, growers of sugar beet, **sugar cane** and chicory used for the production of inuline syrup shall qualify for a sugar payment. It shall be granted for the average number of hectares under sugar beet or chicory used for the production of sugar or inuline syrup - **to which may be added the average number of hectares given over to the production of sugar used in the manufacture of certain products pursuant to Article 20 of Regulation (EC) No 1260/2001*** - covered by the delivery contracts concluded by the grower in accordance with Article 19 of Council Regulation (EC) No 1260/2001* for a representative period of one or more marketing years as from the marketing years 2000/2001, to be determined by the Member State concerned in accordance with objective

and non-discriminatory criteria.

Justification

Since the purpose of the reform is (inter alia) to establish aid intended to compensate for the drop in prices which will affect Community producers of sugar beet or chicory used for sugar production, it would seem logical that producers of sugar cane used for sugar production should also have access to such aid. Furthermore, a single sugar quota is due to be set. If the EU sector is to remain competitive, sugar beet and sugar cane intended for non-sugar purposes (as defined in Article 20 of Regulation (EC) No 1260/2001) must qualify for Community aid.

Amendment 12
ANNEX, POINT 2
Annex II (Regulation (EC) No 1782/2003)

Text proposed by the Commission

(EUR million)

Member State	2005	2006	2007	2008	2009	2010	2011	2012
Belgium	4,7	6,3	7,9	7,9	7,9	7,9	7,9	7,9
Denmark	7,7	10,4	13	13	13	13	13	13
Germany	40,4	54,7	68,4	68,4	68,4	68,4	68,4	68,4
Greece	45,4	61,1	76,7	76,7	76,7	76,7	76,7	76,7
Spain	56,9	77,1	96,4	96,4	96,4	96,4	96,4	96,4
France	51,4	68,7	85,9	85,9	85,9	85,9	85,9	85,9
Ireland	15,3	20,4	25,6	25,6	25,6	25,6	25,6	25,6
Italy	62,3	84,7	106,6	106,6	106,6	106,6	106,6	106,6
Luxembourg	0,2	0,3	0,4	0,4	0,4	0,4	0,4	0,4
Netherlands	6,8	9,6	12,1	12,1	12,1	12,1	12,1	12,1
Austria	12,4	17,1	21,3	21,3	21,3	21,3	21,3	21,3
Portugal	10,8	14,6	18,3	18,3	18,3	18,3	18,3	18,3
Finland	8	10,8	13,6	13,6	13,6	13,6	13,6	13,6
Sweden	6,6	8,8	11,0	11	11	11	11	11
United Kingdom	17,7	23,6	29,5	29,5	29,5	29,5	29,5	29,5

Amendments by Parliament

(EUR million)

Member State	2005	2006	2007	2008	2009	2010	2011	2012
Belgium	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Denmark	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Germany	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Greece	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Spain	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
France	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Ireland	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Italy	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Luxembourg	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Netherlands	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Austria	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Portugal	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Finland	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Sweden	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
United Kingdom	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>

Justification

The initial figures proposed by the Commission were based on a 39% decrease in the white sugar price over two years. For reasons of consistency, these figures should be re-evaluated on the basis of the less radical fall in prices proposed by the rapporteur, i.e. 30% over two years, in order to establish the correct amounts required to provide substantial compensation for farmers' loss of income. The rapporteur suggests a compensation rate of 90% of the loss of income, in accordance with measures taken in the past for other sectors.

Amendment 13

ANNEX, POINT 4

Annex VII, point K (Regulation (EC) No 1782/2003)

"K. Sugar beet and chicory

Member States shall calculate the amount to be included in the reference amount of farmers by multiplying the average number of hectares under sugar beet or chicory used for the production of A or B sugar or inuline syrup and covered by a delivery contract concluded in accordance with Article 19 of

"K. Sugar beet and chicory

Member States shall calculate the amount to be included in the reference amount of farmers by multiplying the average number of hectares under sugar beet or chicory used for the production of A or B sugar or inuline syrup and covered by a delivery contract concluded in accordance with Article 19 of

Regulation (EC) No 1260/2001 for a representative period of one or more marketing years as from the marketing year 2000/2001, to be determined by Member States in accordance with objective and non-discriminatory criteria, by the relevant following **amount**:

Regulation (EC) No 1260/2001 for a representative period of one or more marketing years as from the marketing year 2000/2001, to be determined by Member States in accordance with objective and non-discriminatory criteria, by the relevant following **amounts, which take due account of the sugar production volume for each holding during the reference period**:

Text proposed by the Commission

Member State	2006 <i>EUR/hectare</i> Sugar payments	2007 and thereafter <i>EUR/hectare</i> Sugar payments
BE	415,5	716,0
DK	323,7	577,8
DE	334,6	600,7
EL	404,6	662,8
ES	477,0	761,5
FR (cont)	396,4	708,4
IE	351,8	576,3
IT	321,6	547,6
NL	360,2	634,4
AT	420,7	730,9
PT (cont)	562,7	921,7
FI	255,3	418,1
SE	371,6	608,6
UK	422,3	691,7
CZ	422,0	670,4
HU	403,7	633,5
LV	299,2	469,2
LT	231,6	363,0
PL	290,9	467,7
SK	352,6	575,8
SI	382,1	625,8

Where the totality of the amounts to be included in the reference amount of farmers calculated in accordance with the first paragraph exceeds the limits of the ceilings referred to in the table hereafter expressed in thousands of euros, the amounts per farmer shall be reduced accordingly.

Amendments by Parliament

Member State	2006 EUR/hectare Sugar payments <i>by annual production volume</i>			2007 and thereafter EUR/hectare Sugar payments <i>by annual production volume</i>			
	<i>Annual production volume</i>	<i>less than 100 tonnes</i>	<i>up to 300 tonnes</i>	<i>more than 300 tonnes</i>	<i>less than 100 tonnes</i>	<i>up to 300 tonnes</i>	<i>more than 300 tonnes</i>
BE		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
DK		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
DE		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
EL		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
ES		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FR (cont)		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
IE		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
IT		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
NL		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
AT		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
PT (cont)		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FI		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
SE		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
UK		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
CZ		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
HU		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
LV		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
LT		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
PL		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
SK		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
SI		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>

Where the totality of the amounts to be included in the reference amount of farmers calculated in accordance with the first paragraph exceeds the limits of the ceilings referred to in the table hereafter expressed in thousands of euros, the amounts per farmer shall be reduced accordingly.

Amendment 14
ANNEX, POINT 4
Annex VII, point K, table 2 (Regulation (EC) No 1782/2003)

Text proposed by the Commission

(EUR '000)

Member State	2006	2007 and subsequent
Belgium	48 588	83 729
Czech Republic	27 849	44 245
Denmark	19 312	34 478
Germany	154 780	277 946
Greece	17 939	29 384
Spain	60 267	96 203
France	151 144	270 081
Hungary	25 433	39 912
Ireland	11 258	18 441
Italy	79 854	135 994
Latvia	4 219	6 616
Lithuania	6 547	10 260
Netherlands	42 027	74 013
Austria	18 929	32 891
Poland	99 125	159 392
Portugal	3 939	6 452
Slovakia	11 812	19 289
Slovenia	2 993	4 902
Finland	8 254	13 520
Sweden	20 807	34 082
United Kingdom	64 333	105 376

Amendments by Parliament

(EUR '000)

Member State	2006	2007 and subsequent
Belgium	<i>p.m.</i>	<i>p.m.</i>
Czech Republic	<i>p.m.</i>	<i>p.m.</i>
Denmark	<i>p.m.</i>	<i>p.m.</i>
Germany	<i>p.m.</i>	<i>p.m.</i>
Greece	<i>p.m.</i>	<i>p.m.</i>
Spain	<i>p.m.</i>	<i>p.m.</i>
France	<i>p.m.</i>	<i>p.m.</i>
Hungary	<i>p.m.</i>	<i>p.m.</i>
Ireland	<i>p.m.</i>	<i>p.m.</i>
Italy	<i>p.m.</i>	<i>p.m.</i>
Latvia	<i>p.m.</i>	<i>p.m.</i>
Lithuania	<i>p.m.</i>	<i>p.m.</i>
Netherlands	<i>p.m.</i>	<i>p.m.</i>
Austria	<i>p.m.</i>	<i>p.m.</i>
Poland	<i>p.m.</i>	<i>p.m.</i>
Portugal	<i>p.m.</i>	<i>p.m.</i>
Slovakia	<i>p.m.</i>	<i>p.m.</i>
Slovenia	<i>p.m.</i>	<i>p.m.</i>
Finland	<i>p.m.</i>	<i>p.m.</i>
Sweden	<i>p.m.</i>	<i>p.m.</i>
United Kingdom	<i>p.m.</i>	<i>p.m.</i>

Justification

The initial figures proposed by the Commission were based on a 39% decrease in the white sugar price over two years. For reasons of consistency, these figures should be re-evaluated on the basis of the less radical fall in prices proposed by the rapporteur, i.e. 30% over two years, in order to establish the correct amounts required to provide substantial compensation for farmers' loss of income. The rapporteur suggests a compensation rate of 90% of the loss of income, in accordance with measures taken in the past for other sectors.

Amendment 15
ANNEX, POINT 5
Annex VIII (Regulation (EC) No 1782/2003)

Text proposed by the Commission

(EUR '000)

Member State	2005	2006	2007, 2008 and 2009	2010 and subsequent
Belgium	<i>411 053</i>	<i>579 161</i>	<i>613 782</i>	<i>613 782</i>
Denmark	<i>943 369</i>	<i>1 015 477</i>	<i>1 030 478</i>	<i>1 030 478</i>
Germany	<i>5 148 003</i>	<i>5 646 981</i>	<i>5 769 946</i>	<i>5 769 946</i>
Greece	<i>838 289</i>	<i>1 719 228</i>	<i>1 752 673</i>	<i>1 752 673</i>
Spain	<i>3 266 092</i>	<i>4 125 330</i>	<i>4 359 266</i>	<i>4 359 266</i>
France	<i>7 199 000</i>	<i>7 382 144</i>	<i>8 361 081</i>	<i>8 361 081</i>
Ireland	<i>1 260 142</i>	<i>1 333 563</i>	<i>1 340 521</i>	<i>1 340 521</i>
Italy	<i>2 539 000</i>	<i>3 544 371</i>	<i>3 599 994</i>	<i>3 599 994</i>
Luxembourg	<i>33 414</i>	<i>36 602</i>	<i>37 051</i>	<i>37 051</i>
Netherlands	<i>386 586</i>	<i>428 613</i>	<i>853 599</i>	<i>853 599</i>
Austria	<i>613 000</i>	<i>632 929</i>	<i>744 891</i>	<i>744 891</i>
Portugal	<i>452 000</i>	<i>496 939</i>	<i>565 452</i>	<i>565 452</i>
Finland	<i>467 000</i>	<i>475 254</i>	<i>565 520</i>	<i>565 520</i>
Sweden	<i>637 388</i>	<i>670 915</i>	<i>763 082</i>	<i>763 082</i>
United Kingdom	<i>3 697 528</i>	<i>3 934 753</i>	<i>3 975 849</i>	<i>3 975 849</i>

Amendments by Parliament

(EUR '000)

Member State	2005	2006	2007, 2008 and 2009	2010 and subsequent
Belgium	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Denmark	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Germany	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Greece	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Spain	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
France	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Ireland	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Italy	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Luxembourg	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Netherlands	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Austria	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Portugal	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Finland	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
Sweden	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
United Kingdom	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>

Justification

The initial figures proposed by the Commission were based on a 39% decrease in the white sugar price over two years. For reasons of consistency, these figures should be re-evaluated on the basis of the less radical fall in prices proposed by the rapporteur, i.e. 30% over two years, in order to establish the correct amounts required to provide substantial compensation for farmers' loss of income. The rapporteur suggests a compensation rate of 90% of the loss of income, in accordance with measures taken in the past for other sectors.

Amendment 16
ANNEX, POINT 6
Annex VIII a (Regulation (EC) No 1782/2003)

Text proposed by the Commission

(EUR 1000)										
Calendar year	Czech Republic	Estonia	Cyprus	Latvia	Lithuania	Hungary	Malta	Poland	Slovenia	Slovakia
2005	228 800	23 400	8 900	33 900	92 000	350 800	670	724 600	35 800	97 700
2006	294 549	27 300	12 500	43 819	113 847	445 633	830	980 825	44 893	127 212
2007	387 845	40 400	16 300	62 216	157 160	548 212	1 640	1 300 192	61 002	165 889
2008	473 445	50 500	20 400	76 116	193 860	674 812	2 050	1 585 292	75 002	202 489
2009	559 145	60 500	24 500	90 016	230 560	801 512	2 460	1 870 392	89 002	238 989
2010	644 745	70 600	28 600	103 916	267 260	928 112	2 870	2 155 492	103 002	275 489
2011	730 445	80 700	32 700	117 816	303 960	1 054 812	3 280	2 440 492	117 002	312 089
2012	816 045	90 800	36 800	131 716	340 660	1 181 412	3 690	2 725 592	131 002	348 589
subsequent years	901 745	100 900	40 900	145 616	377 360	1 308 112	4 100	3 010 692	145 102	385 189

Amendments by Parliament

(EUR 1000)										
Calendar year	Czech Republic	Estonia	Cyprus	Latvia	Lithuania	Hungary	Malta	Poland	Slovenia	Slovakia
2005	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
2006	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
2007	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
2008	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
2009	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
2010	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
2011	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
2012	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
subsequent years	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>

Justification

The initial figures proposed by the Commission were based on a 39% decrease in the white sugar price over two years. For reasons of consistency, these figures should be re-evaluated on the basis of the less radical fall in prices proposed by the rapporteur, i.e. 30% over two years, in order to establish the correct amounts required to provide substantial compensation for farmers' loss of income. The rapporteur suggests a compensation rate of 90% of the loss of income, in accordance with measures taken in the past for other sectors.

EXPLANATORY STATEMENT

1. The Commission proposal

The proposals for the reform of the sugar sector presented by the Commission on 22 June 2005 are to be considered in the context of the CAP reforms approved in 2003 and 2004. Their aim is, in particular, to amend Regulation (EC) No 1782/2003 by adding the new aid introduced for beet growers to the CAP general direct support scheme.

Although the financial perspective for the period 2007-2013 (and hence the guidelines for European agriculture) has not yet been defined, the Commission is proposing that the aid designed to compensate for beet growers' loss of income be provided as part of the single payment per holding.

These new direct payments to be granted to farmers are calculated on the basis of those who produced sugar beet under quota in the 2000-2002 reference period. They will be subject to compliance with environmental and land management standards.

The new payments for the sugar sector are to provide compensation equal to 60% of the revenue loss from the two-step institutional price cuts proposed by the Commission (39%). They will be allocated to beet and chicory growers in decoupled payments, with due respect for the amount per hectare intended for production (Annex VII(K) of Regulation (EC) 1782/2003) and a ceiling per Member State (Annexes VIII and VIII a of Regulation (EC) 1782/2003). However, the national envelopes allocated to Member States may be applied to individual farmers with a degree of flexibility.

2. General comments of the rapporteur

The rapporteur considers that the sugar and beet price cuts proposed by the Commission go beyond the needs of the Community market. Furthermore, a cautious approach is required in the present situation, pending the final outcome of the current multilateral negotiations (Doha Round) and the timetable for implementation of the conclusions of the special group of the World Trade Organisation (WTO), ratified by its Appellate Body¹.

It should also be pointed out that the increase in decoupled support is not justified by the global commitments to reduce the Amber Box (or Aggregate Measure of Support - AMS) for the benefit of the Green Box: the decoupling measures already approved in 2003-2004 entails a 50% reduction in the 15 Member EU's Amber Box in relation to the current threshold, significantly higher than the expected reduction rates (20%) in the new WTO agricultural agreement. Moreover, the reduction in the AMS for new Member States will not pose any problems for the EU, given the current process of conversion of hectare direct aid into decoupled single payments (Green Box).

¹ Report AB-2005-2 of 28 April 2005 - WT/DS265/AB/R, WT/DS266/AB/R and WT/DS283/AB/R.

Finally, the sugar and beet price cuts, added to the abolition of the intervention system, will undoubtedly lead to revenue losses for European growers, which the Commission plans to compensate at a rate of only 60%. This proposal is contrary to the founding principles of the Common Agricultural Policy (CAP), which is intended to guarantee the farming population a fair standard of living and to achieve the aim of economic social and territorial cohesion laid down by the Treaties and reiterated in categorical terms in the Lisbon Strategy.

3. Amendments of the rapporteur

- Following the price cut proposed by the rapporteur (25% instead of 39%) in relation to the Council Regulation on the common organisation of the markets in the sugar sector (first section of the reform package), the rapporteur's amendments to this proposal to amend Regulation (EC) 1782/2003 seek to provide substantial compensation for the estimated losses of revenue. The rapporteur is thus suggesting a level of compensation equal to that applied in other sectors which have been reformed (80% instead of 60%).

On this basis, the figures in the tables of Regulation (EC) 1782/2003 included in the Commission's proposal as an annex will need to be reviewed: Point (2) of Annex II (national ceilings affected by the adjustment); Point (4) of Annex VII, table 1 (EUR/hectare) and Table 2 (national ceilings); Point (5) of Annex VIII (national ceilings of decoupled aid).

- Moreover, in accordance with the remarks made by the European Parliament in its resolution of 10 March 2005, the rapporteur wishes to emphasise that *'the new Member States joined the European Union on the basis of commitments that have demanded a significant effort to meet'*. He is therefore proposing that the new Members be allowed to grant beet growers the compensatory aid outside the simplified single area payment, as currently applicable.
- Lastly, the attached amendments seek to introduce a number of legislative tools, intended as a complement to the new incentives introduced by the rapporteur as part of the temporary restructuring scheme and aimed at promoting the development of the bio-ethanol sector and thereby offering operators in the sugar sector appropriate alternatives.

It is therefore proposed that beet growing for the purpose of bio-ethanol production be authorised on hectares eligible for the set-aside entitlement. The rapporteur also proposes increasing the amount of aid for energy crops (EUR 60 per hectare per year as against 45 currently) and setting the maximum area for this type of crop at 2 million hectares (as against 1.5 million currently). These measures will provide beet growers affected by losses in quota production capacity in the Union with new opportunities.

24.11.2005

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Agriculture and Rural Development

on the proposal for a Council regulation amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers (COM(2005)0263 – C6-0244/2005 – 2005/0119(CNS))

Draftsperson: Béla Glattfelder

SHORT JUSTIFICATION

The draftsperson welcomes the Commission's proposal to introduce partial income support measures for sugar beet growers to offset some of their losses stemming from the gradual reduction of market support. The draftsperson seeks to amend this proposal by making provisions for the "fullest possible compensation" of sugar beet and chicory growers.

The **national ceilings** (reference amounts) provided by the Commission under Annex VII, point K, for the calculation of income support for sugar beet and chicory growers do not need to be changed. With the draftsperson's proposed 25 % reduction in the minimum price for sugar beet, as opposed to the 42.6 % cut proposed by the Commission, sugar beet growers' expected revenue loss would also fall proportionately. Under such a modest price reduction scenario, the reference amounts for income support would cover some 90 % of sugar beet growers' revenue loss—as opposed to only 60 % under the Commission's radical price reduction scenario.

However, in some Member States, adjustment to the reduced prices for sugar beet may cause considerable problems for farmers. It is therefore necessary to allow Member States to compensate sugar beet and chicory growers as flexibly as possible. One such means would be to allow the payment to beet and chicory growers of **three years' compensation** in a single marketing year.

AMENDMENTS

The Committee on International Trade calls on the Committee on Agriculture and Rural Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

RECITAL 2

(2) As a consequence of reduced market support in the sugar sector, income support measures for sugar beet growers should be introduced. ***That measure should*** take the form of a payment to sugar beet and chicory growers the overall level of which should develop in parallel with the gradual reduction of market supports.

(2) As a consequence of reduced market support in the sugar sector, income support measures for sugar beet growers should be introduced. ***Such measures should provide for the fullest possible compensation for revenue losses stemming from the reduction in market support and*** take the form of a payment to sugar beet and chicory growers the overall level of which should develop in parallel with the gradual reduction of market supports.

Justification

It is absolutely essential that sugar beet and chicory growers are compensated as fully as possible for the revenue loss they suffer as a result of the reduction of the minimum price for sugar beet.

Amendment 2

ARTICLE 1, POINT 5

Article 110p, paragraph 1 a (new) (Regulation (EC) No 1782/2003)

1a. Member States shall have the option of making, in the marketing year in which this Regulation comes into force, a total sugar payment to sugar beet and chicory growers equivalent to three marketing years.

Justification

Flexibility in compensation should allow Member States to mitigate the negative effects of adjustment to lower sugar beet prices.

¹ Not yet published in OJ.

PROCEDURE

Title	Proposal for a Council regulation amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers
References	COM(2005)0263 – C6-0244/2005 – 2005/0119(CNS)
Committee responsible	AGRI
Opinion by Date announced in plenary	INTA 6.9.2005
Enhanced cooperation – date announced in plenary	No
Drafts(wo)man Date appointed	Béla Glattfelder 12.7.2005
Previous drafts(wo)man	
Discussed in committee	29.8.2005 12.9.2005
Date adopted	24.11.2005
Result of final vote	+: 20 -: 5 0: 0
Members present for the final vote	Jean-Pierre Audy, Enrique Barón Crespo, Daniel Caspary, Giulietto Chiesa, Christofer Fjellner, Glyn Ford, Béla Glattfelder, Jacky Henin, Caroline Lucas, Erika Mann, Helmuth Markov, David Martin, Javier Moreno Sánchez, Georgios Papastamkos, Bogusław Rogalski, Tokia Saïfi, Peter Šťastný, Zbigniew Zaleski
Substitute(s) present for the final vote	Panagiotis Beglitis, Danutė Budreikaitė, Jorgo Chatzimarkakis, Albert Deß, Elisa Ferreira, István Szent-Iványi
Substitute(s) under Rule 178(2) present for the final vote	Paul Rübig
Comments (available in one language only)	...

PROCEDURE

Title	Proposal for a Council regulation amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers				
References	COM(2005)0263 – C5-0244/2005 – 2005/0119(CNS)				
Date of consulting Parliament	25.7.2005				
Committee responsible Date announced in plenary	AGRI 6.9.2005				
Committee(s) asked for opinion(s) Date announced in plenary	BUDG 6.9.2005	CONT 6.9.2005	DEVE 6.9.2005	REGI 6.9.2005	INTA 6.9.2005
Not delivering opinion(s) Date of decision	BUDG 15.11.2005	CONT 12.7.2005	DEVE 21.6.2005	REGI 11.7.2005	
Rapporteur(s) Date appointed	Jean-Claude Fruteau 2.9.2005				
Discussed in committee	13.7.2005	12.9.2005	11.10.2005	23.11.2005	29.11.2005
Date adopted	29.11.2005				
Result of final vote	+: 27 -: 2 0: 0				
Members present for the final vote	Katerina Batzeli, Thijs Berman, Niels Busk, Luis Manuel Capoulas Santos, Giuseppe Castiglione, Joseph Daul, Albert Deß, Michl Ebner, Duarte Freitas, Jean-Claude Fruteau, Ioannis Gklavakis, Lutz Goepel, Bogdan Golik, Friedrich-Wilhelm Graefe zu Baringdorf, María Esther Herranz García, Elisabeth Jeggle, Diamanto Manolakou, Mairead McGuinness, María Isabel Salinas García, Agnes Schierhuber, Willem Schuth, Czesław Adam Siekierski, Marc Tarabella, Kyösti Tapio Virrankoski				
Substitute(s) present for the final vote	María del Pilar Ayuso González, Bernadette Bourzai, Ilda Figueiredo, Béla Glattfelder, Vincenzo Lavarra, Astrid Lulling, Bernadette Vergnaud				
Substitute(s) under Rule 178(2) present for the final vote	Inés Ayala Sender, Anne Ferreira				
Date tabled	6.12.2005				
Comments (available in one language only)	...				