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# REPORT

on the proposal for a Council regulation on establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (COM(2006)0822 – C6-0045/2007 – 2006/0269(CNS))

Committee on Agriculture and Rural Development

Rapporteur: Niels Busk

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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 Commiss	e of procedure depends on the legal basis proposed by the sion.)	

## 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 on establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (COM(2006)0822 – C6-0045/2007 – 2006/0269(CNS))

## (Consultation procedure)

#### The European Parliament,

- having regard to the Commission proposal to the Council  $(COM(2006)0822)^1$ ,
- having regard to Articles 36 and 37 of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0045/2007),
- having regard to Rule 51 of its Rules of Procedure,
- having regard to the report of the Committee on Agriculture and Rural Development (A6-0171/2007),
- 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 6

(6) Simplification should not lead to calling into question the political decisions that have been taken over the years in the CAP. This Regulation should, therefore, *essentially* be an act of technical simplification. It should not, therefore,

<sup>(6)</sup> Simplification should not lead to calling into question the political decisions that have been taken over the years in the CAP. This Regulation should, therefore, *solely* be an act of technical simplification. It should not, therefore, repeal or change

<sup>&</sup>lt;sup>1</sup> Not yet published in OJ.

repeal or change existing instruments unless they *have become obsolete*, *redundant or* should not, by their *very* nature, be dealt with at Council level nor introduce new instruments or measures. existing instruments unless they should not, by their *purely technical* nature, be dealt with at Council level nor *should it* introduce new instruments or measures.

#### Amendment 2 Recital 7

(7) Against this background, this Regulation should not introduce *those parts of* CMOs which are subject to policy reviews. *This is the case with regard to certain parts of the fruit and vegetables, the bananas and the wine sectors. The rules contained in the respective Regulations (EEC) No 404/93, (EC) No 2200/96, (EC) No 2201/96 and (EC) No 1493/1999* should, *therefore, only* be incorporated into this Regulation *to the extent that they are not themselves subject to any* policy reforms. (7) Against this background, this Regulation should not introduce CMOs which are subject to policy reviews *and* should *not* be incorporated into this Regulation *until the ongoing* policy reforms *have been completed*.

#### Amendment 3 Recital 9

(9) The CMOs for cereals, rice, sugar, dried fodder, seeds, olives, flax and hemp, bananas, wine, milk and milk products and silk worms provide for marketing years mainly adapted to the biological production cycles of each of these products. In the CMOs for fruit and vegetables and processed fruit and vegetables, the Commission has been empowered to fix the marketing years due to the fact that the production cycles of these products vary to a large extent and that in some cases it is not necessary to fix a marketing year. The marketing years as they have been fixed in the mentioned sectors and the power of the Commission to fix the marketing years for the fruit and vegetables and the processed fruit and vegetables sectors should, therefore, be

(9) The CMOs for cereals, rice, sugar, dried fodder, seeds, olives, flax and hemp, bananas, milk and milk products and silk worms provide for marketing years mainly adapted to the biological production cycles of each of these products.

#### Amendment 4 Recital 11 a (new)

(11a) Organisations of an interbranch nature set up at the initiative of operator organisations and representing a significant share of the different professional categories of the sector concerned are capable of taking greater account of the realities of the market and of facilitating the development of modes of economic behaviour with a view to improving knowledge as well as the organisation of production and product presentation and marketing.

Given that the activities of these organisations of an interprofessional nature can make a general contribution to the realisation of the objectives of Article 33 of the Treaty, and in particular of those referred to in this Regulation, this Regulation does not call into question the existence and the functioning of this type of organisation in the Member States.

#### Justification

Interbranch activities and agreements should be mentioned in order to exclude any risk of the Regulation being interpreted in such a way as to call into question existing or future organisations of an interbranch nature.

#### Amendment 5 Recital 20

(20) Under the basic regulations for the beef and veal, the pigmeat and the sheep meat and goat meat sectors Community scales for the classification of carcases have been established. These schemes are essential for the purposes of price recording and the application of the intervention arrangements in the beef and (20) Under the basic regulations for the beef and veal, the pigmeat and the sheep meat and goat meat sectors Community scales for the classification of carcases have been established. These schemes are essential for the purposes of price recording and the application of the intervention arrangements in the beef and

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veal and pigmeat sectors. Moreover, they pursue the objective to improve market transparency. Such carcase classification schemes should be maintained. *However*, *due to their mainly technical character it appears appropriate to entrust the Commission with the necessary powers to adopt the relevant rules, acting on the basis of criteria underlying the existing schemes.* 

veal, *sheep meat* and pigmeat sectors. Moreover, they pursue the objective to improve market transparency. Such carcase classification schemes should be maintained. Classification of adult bovine and sheep carcases should be carried out on the basis of conformation and the degree of fat cover. The combined use of these two criteria makes it possible to divide carcases into classes. Carcases classified in this way should be subject to identification. In order to ensure the uniform application of this Regulation in the Community, provision should be made for on-the-spot checks by a Community inspection committee.

#### Justification

The scales for the classification of carcases are an essential element of market inspection and organisation, even when they are not used directly for the application of intervention mechanisms, as is the case in the sheep meat sector.

The impact of applying these scales on product prices and, more generally, on the organisation of commercial relations between producers and slaughterers means that they cannot be thought of as a simple technical rule.

#### Amendment 6 Recital 25

(25) Specific instruments are needed to ensure a fair balance of rights and obligations between sugar undertakings and sugar beet growers. Therefore, *the standard provisions contained so far in the sugar CMO should be transferred to this Regulation* to govern the contractual relations between buyers and sellers of sugar beet. Detailed terms have, so far, *been subject to the CMO for sugar as Annex II to Regulation (EC) No* 318/2006. Given the highly technical character of these terms, it is considered to be more appropriate to deal with these questions at Commission level.

(25) Specific instruments are needed to ensure a fair balance of rights and obligations between sugar undertakings and sugar beet growers. Therefore, framework provisions should be established to govern the contractual relations between buyers and sellers of sugar beet. The diversity of natural, economic and technical situations makes it difficult to provide for uniform purchase terms for sugar beet throughout the Community. Agreements within the trade already exist between associations of sugar beet growers and sugar undertakings. Therefore, framework provisions should only define the minimum guarantees required by both sugar beet growers and the sugar industry

to ensure a smooth functioning of the sugar market with the possibility to derogate from some rules in the context of an agreement within the trade.

#### Amendment 7 Recital 26

deleted

(26) The diversity of natural, economic and technical situations makes it difficult to provide for uniform purchase terms for sugar beet throughout the Community. Agreements within the trade already exist between associations of sugar beet growers and sugar undertakings. Therefore, framework provisions should only define the minimum guarantees required by both sugar beet growers and the sugar industry to ensure a smooth functioning of the sugar market with the possibility to derogate from some rules in the context of an agreement within the trade.

#### Amendment 8 Recital 35

(35) In line with the purpose of this Regulation, *the structure of the milk quota* should be *aligned with that of the sugar quota provisions*. Accordingly, *the point of departure of the dairy rules should no longer be the obligation to pay an additional levy where the national reference quantity is exceeded but the fixation of* national quotas which in case they are overrun give rise to collecting a *surplus* levy. (35) In line with the purpose of this Regulation, *the arrangements concerning control of production in the milk sector and those applicable to the sugar sector* should be *brought together in one section*. Accordingly, *in the milk sector, the term 'national reference quantities' should be replaced by* 'national quotas' which in case they are overrun give rise to collecting a levy.

#### Justification

The aim of the Regulation is not to align the quota regimes but simply to group together their presentation without modifying their purpose or orientation, which should be mentioned.

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Amendment 9 Recital 35 a (new)

> (35a) The essential objective of the milk quota system is to reduce the imbalance between supply and demand for milk and dairy products and the resulting structural surpluses and thereby achieving a better market balance. Henceforth this system should be continued for seven more consecutive 12-month periods from 1 April 2008. In addition, the method adopted in 1984 of setting a levy to be paid on milk collected or sold directly outside the quota should be maintained.

#### Amendment 10 Recital 95

(95) This Regulation confers powers on the Commission which had, in the past, been conferred on the Council for adoption in accordance with the voting procedure of Article 37 of the Treaty. Such Council acts need to remain in force until the Commission adopts the relevant provisions based on the powers conferred on it by this Regulation. To avoid that in such cases there would be parallel provisions adopted by the Council on the one hand and by the Commission on the other, the Commission should be entitled to repeal such Council acts.

(95) This Regulation confers powers on the Commission which had, in the past, been conferred on the Council for adoption of technical provisions in accordance with the voting procedure of Article 37 of the Treaty. Such Council acts need to remain in force until the Commission adopts the relevant technical provisions based on the powers conferred on it by this Regulation. To avoid that in such cases there would be parallel provisions adopted by the Council on the one hand and by the Commission on the other, the Commission should be entitled to repeal such Council acts. All political provisions should be adopted by the Council pursuant to Article 37 of the Treaty after consulting the European Parliament.

Amendment 11 Article 1, paragraph 1, point (i)

(i) fruit and vegetables, Part IX of Annex I (hereinafter referred to as "the fruit and vegetables sector"); deleted

## Amendment 12 Article 1, paragraph 1, point (j)

deleted

(j) processed fruit and vegetables, Part X of Annex I (hereinafter referred to as "the processed fruit and vegetables sector");

> Amendment 13 Article 1, paragraph 1, point (l)

(1) wine, Part XII of Annex I (hereinafter deleted referred to as "the wine sector");

Amendment 14 Article 1, paragraph 2

deleted

In respect of the fruit and vegetables, processed fruit and vegetables, and wine sectors, only the following provisions of this Regulation shall apply:

(a) Articles 3 and 4

(b) Part IV

(c) Article 183

(*d*) *Article* 184

(e) Article 185

(f) Article 188 and the first paragraph of Article 189

(g) point (a) of Article 195

Amendment 15 Article 2, paragraph 2, points (ba) and (bb) (new)

*(ba) 'reference price' shall mean the basis price;* 

(bb) 'intervention price' shall mean the price at which intervention takes place.

Amendment 16 Article 3, paragraph 1, point (d)

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(d) 1 August to 31 July of the following year for the wine sector;

deleted

## Amendment 17 Article 3, paragraph 2

#### deleted

2. For the products of the fruit and vegetables and processed fruit and vegetables sectors, the marketing years shall, if necessary, be fixed by the Commission.

> Amendment 18 Article 9, point (fa) (new)

## (fa) pigmeat

## Amendment 19 Article 39

1. Community scales for the classification of carcases, including the rules concerning the reporting of prices of certain products by the Member States, shall be established *by the Commission* in respect of the following sectors:

(a) beef and veal as regards adult bovine animals;

(b) pigmeat;

(c) sheep meat and goat meat.

2. In establishing the Community scales referred to in paragraph 1, *the Commission shall be guided, in particular, by* the following criteria:

(a) for carcases of adult bovine animals the scale shall classify carcases on the basis of conformation and the degree of fat cover, enabling the division of carcases into classes and identification of classified carcases; 1. Community scales for the classification of carcases, including the rules concerning the reporting of prices of certain products by the Member States, shall be established in respect of the following sectors:

(a) beef and veal as regards adult bovine animals;

(b) pigmeat;

(c) sheep meat and goat meat.

2. In establishing the Community scales referred to in paragraph 1, the following criteria *shall in particular be taken as a guide*:

(a) for carcases of adult bovine animals the scale shall classify carcases on the basis of conformation and the degree of fat cover, enabling the division of carcases into classes and identification of classified carcases; (b) for pig carcases the scale shall classify carcases on the basis of their lean-meat content in relation to their weight, operate using the principle of direct establishment of the lean-meat percentage on the basis of objective measurement and provide for the division of carcases into classes and their identification;

(c) for sheep and goat carcases, the scale shall classify carcases on the basis of conformation and the degree of fat cover, enabling the division of carcases into classes and identification of classified carcases.

With regard to carcases of light lambs other criteria may be used, in particular weight, meat colour and fat colour. (b) for pig carcases the scale shall classify carcases on the basis of their lean-meat content in relation to their weight, operate using the principle of direct establishment of the lean-meat percentage on the basis of objective measurement and provide for the division of carcases into classes and their identification;

(c) for sheep and goat carcases, the scale shall classify carcases on the basis of conformation and the degree of fat cover, enabling the division of carcases into classes and identification of classified carcases.

2a. With a view to ensuring uniform application of this Regulation in the Community, on-the-spot checks shall be carried out by a Community monitoring committee.

With regard to carcases of light lambs other criteria may be used, in particular weight, meat colour and fat colour.

Amendment 20 Article 41, paragraph 1, point (fa) (new)

## (fa) bee-keeping

#### Amendment 21 Article 47, paragraph 1

1. Agreements within the trade and delivery contracts shall conform to paragraph 3 and to purchase terms *to be determined by the Commission*, in particular as regards the conditions governing the purchase, delivery, taking over and payment of beet. 1. Agreements within the trade and delivery contracts shall conform to paragraph 3 and to purchase terms *laid down in Annex IIa*, in particular as regards the conditions governing the purchase, delivery, taking over and payment of beet.

#### Amendment 22 Article 50, introduction and point (-a) (new)

The Commission may adopt the detailed rules for the implementation of this Section and, in particular:

The Commission may adopt the detailed rules for the implementation of this Section and, in particular, *the following elements*:

(-a) the modifications to Annex IIa;

#### Amendment 23 Article 51, introduction

In order to encourage action by trade organisations and joint trade organisations to facilitate the adjustment of supply to market requirements, with the exception of action relating to withdrawal from the market, the Commission may take the following measures in respect of the live plants, beef and veal, pigmeat, sheep meat and goat meat, eggs and poultry sectors:

In order to encourage action by trade organisations and joint trade organisations to facilitate the adjustment of supply to market requirements, with the exception of action relating to withdrawal from the market, the Commission may take the following measures in respect of the live plants, *milk and dairy products*, beef and veal, pigmeat, sheep meat and goat meat, eggs and poultry sectors:

## Amendment 24 Article 51, point (da) (new)

#### (da) measures to improve farming.

## Justification

The current wording of the proposal for a regulation excludes measures relating to live animals and therefore to the activity of farming itself, and measures can be taken by the Commission to make it easy to adapt supply to market requirements. This possibility, provided by the current CMOs, must be re-established.

#### Amendment 25 Article 52, paragraph 2 a (new)

(2a) This Regulation shall apply without prejudice to the application of Council Regulation (EC) No 1868/94 establishing a quota system in relation to the

production of potato starch<sup>1</sup>.

<sup>1</sup> *OJ L* 197, 30.7.1994, *Regulation as last amended by Regulation (EC) No* 941/2005 (*OJ L* 159, 22.6,2006, p. 1).

Amendment 26 Part II, Title II, Chapter II, heading

#### PRODUCER ORGANISATIONS, *INTERBRANCH* ORGANISATIONS, OPERATOR ORGANISATIONS

#### PRODUCER ORGANISATIONS, ORGANISATIONS **OF AN INTERBRANCH NATURE**, OPERATOR ORGANISATIONS

(This change applies throughout the legislative text under consideration here; its adoption will necessitate technical adjustments throughout the text.)

Justification

The term 'organisations of an interbranch nature', rather than 'interbranch organisations', ensures that Chapter II in fact targets all European interbranch bodies, whatever their designation or status.

Amendment 27 Article 118, introduction

The Member shall recognise *interbranch* organisations which:

Subject to the sector-specific provisions and without prejudice to the recognition of similar organisations covering products not concerned by this article, the Member States shall recognise, in accordance with the relevant arrangements, organisations of an interbranch nature which:

#### Justification

In order to ensure respect for the positive law of the various Member States, it should be recalled that the objective of the single CMO is not to modify existing national mechanisms or to call into question Member States' jurisdiction in this area, and that agricultural organisations of an interbranch nature are necessarily made up of organisations representing both agricultural production and – depending on the requirements and characteristics of the product or group of products concerned – trade in and/or processing of agricultural produce.

#### Amendment 28 Article 118, point (a)

(a) are made up of *representatives* of economic activities linked to the production of, trade in, or processing of products of *the following sectors:* 

(a) are made up of *representative organisations* of economic activities linked to the production of *and* trade in *and*/or processing of products of *a given sector;* 

(i) the olives sector;

(ii) the tobacco sector;

## Justification

See justification for the amendment to Article 118, introduction.

Amendment 29 Article 118, point (c), introductory wording

(c) pursue a specific aim, *in particular* to:

(c) pursue a specific aim, *for example* to:

## Justification

In many Member States, interbranch organisations work closely with national and Community authorities. In particular, they enable EU innovation and quality, promotion and information (including on nutrition) policies to be implemented and, where they exist, are involved in implementing emergency and health-safety measures during health crises such as the BSE epidemic. The aims pursued by interbranch organisations should therefore be fleshed out without, however, being made compulsory.

> Amendment 30 Article 118, point (c) (i)

(i) concentrate and coordinate supply and marketing of the produce *of the members*;

(i) concentrate and coordinate supply and marketing of the produce *concerned*;

Justification

See justification for the amendment to Article 118, point (c), introductory wording.

Amendment 31 Article 118, point (c) (ii)

(ii) adapt production and processing jointly

(ii) adapt production and/or processing

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to the requirements of the market and improve the product;

jointly to the requirements of the market and improve the product;

#### Justification

See justification for the amendment to Article 118, point (c), introductory wording.

## Amendment 32 Article 118, point (c) (iv)

(iv) carry out research into sustainable production methods and market developments. (iv) carry out research *and experiments* into *new* sustainable production methods and *studies on* market developments.

Amendment 33 Article 118, point (c) (iv a) (new)

> (iva) foster innovation, quality improvements, diversity, product safety, environmental protection and biodiversity;

Amendment 34 Article 118, point (c) (iv b) (new)

> (ivb) ensure the provision of information on the product at all stages in the production and marketing chain and the promotion of the product.

Amendment 35 Article 118, point (c), subparagraph 2 a (new)

> Organisations of an interbranch nature may ask the authorities which granted them recognition to make the rules, agreements and procedures they have adopted compulsory for all operators working with the product or group of products concerned.

Amendment 36 Article 124

#### Article 124

1. Without prejudice to cases where import licences are required in accordance with this Regulation, the Commission may make imports of one or more products of the following sectors into the Community subject to presentation of an import licence

(a) cereals,

(b) rice,

(c) sugar,

(d) seeds;

(e) olives, with regard to products falling within CN codes 1509, 1510 00, 0709 90 39, 0711 20 90, 2306 90 19, 1522 00 31 and 1522 00 39,

(f) flax and hemp, as far as hemp is concerned,

(g) bananas,

(h) live plants,

(i) beef and veal,

(j) milk and milk products,

(k) pigmeat,

(l) sheep meat and goat meat,

(m) eggs,

(n) poultry,

(o) ethyl alcohol.

#### Article 124

1. In respect of the cereals, sugar, rice, flax and hemp, milk and beef and veal sectors (with regard to products referred to in Annex I, part XV, point (a)) and the olive sector (with regard to products falling within CN codes 1509, 1510 00, 0709 90 39, 0711 20 90, 2306 90 19, 1522 00 31 and 1522 00 39), all imports into the Community shall be subject to presentation of an import licence.

Derogations may, nonetheless, be granted:

(a) in respect of cereal products with no significant impact on the supply situation on this market;

(b) where the management of certain sugar or rice imports does not require an import certificate.

1a. In respect of other sectors and products, without prejudice to cases where import licences are required in accordance with this Regulation, the Commission may make imports into the Community subject to presentation of an import certificate. 2. When applying paragraph 1, the Commission shall take account of the need for import licences for the management of the markets concerned and, in particular, for monitoring the imports of the products in question. 2. When applying paragraph 2, the Commission shall take account of the need for import licences for the management of the markets concerned and, in particular, for monitoring the imports of the products in question.

#### Justification

Import certificates are of key importance in monitoring agricultural markets and giving effect to the Community preference principle. Certificates are compulsory in a large number of sectors which are vulnerable to imports. In other sectors with different economic characteristics, certificates are not compulsory but may be required at the Commission's discretion.

The amendment reinstates the previous system. The removal of the certificate requirement in areas where certificates are compulsory will be referred to the Council to check that an effective alternative market monitoring arrangement has been put in place and certificates no longer have any purpose in the market concerned.

Amendment 37 Article 135, paragraph 2

2. *Additional* import duties *shall not be imposed where the imports* are unlikely to disturb the Community market, or *where the* effects *would be* disproportionate to the intended objective. 2. *The Council shall verify that additional import duties* are unlikely to disturb the Community market, or *that their* effects *are not* disproportionate to the intended objective.

#### Justification

Article 135(2) is not necessary for activation of this provision vis-à-vis the WTO agreements. This internal rule undermines the special safeguard clause in the agricultural sector by making it subject to the same requirements as other safeguard clauses in other WTO or GATT agreements (anti-dumping clause, general clause, etc.). With agricultural products, the mechanism needs to be triggered quickly, without waiting for lengthy studies to be conducted, because, given that we are dealing with perishable products with an annual production cycle, on which income is in many cases earned over a very short period, any damage is severe and immediate. The procedure for triggering the special safeguard clause needs to be simplified in order to avoid blockages of the kind that occurred, for example, during the 2005 and 2006 apple crises. Article 135(2) undermines the safeguard mechanism.

The amendment proposes that verification of whether a measure is disproportionate should be performed by the Council, which should mean that the clause will not be triggered automatically but it will still be possible to trigger it quickly enough to ensure that it is effective.

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Amendment 38 Article 187, paragraph 1 a (new)

> The Commission shall endeavour to apply the principle of cost-effectiveness in determining these rules and shall guarantee to the Member States that this will not result in an abnormal increase in their budgetary costs.

Justification

The new rules must not result in abnormal costs for Member States who make their inspection services available.

Amendment 39 Article 187, paragraph 2 a (new)

> The procedures upstream of such penalties shall respect the right of redress and the right to a fair hearing within the meaning of the Convention on the Protection of Human Rights and Fundamental Freedoms of 4 November 1950.

Justification

A high level of legal certainty and respect for the rule of law needs to be ensured when applying the provisions on penalties set out in this article.

Amendment 40 Article 188, paragraph 1

1. The Commission shall be assisted by the *Management Committee for the Common Organisation of Agricultural Markets (hereinafter referred to as "the Committee")*.

1. The Commission shall, *depending on the markets concerned*, be assisted by the *management committees for meat, milk products, vegetable products or perennial crops*.

1a. The Commission shall ensure, by means of procedures and adequate funding, that the experts appointed by Member States have a high level of expertise. Justification

The Commission proposal fails to ensure the degree of expertise required in order to take decisions that are in keeping with the specific features of the various agricultural markets. The different circumstances obtaining on the various agricultural markets need to be taken into account in implementing the regulation. This amendment provides for several management committees for the various markets, since this arrangement affords greater legal certainty than one involving several subcommittees or working groups coming under a single committee.

Amendment 41 Article 188, paragraph 1 b (new)

> 1b. No later than two years after adoption of this Regulation, the Commission shall evaluate the lessons learnt from the work of the management committees and groups of sectoral experts and shall submit to the European Parliament and the Council a report on this subject accompanied by the comments of the Member States.

Amendment 42 Article 188, paragraph 1 c (new)

> *1c. Article 7(3) of Decision 1999/468/EC shall apply to meetings of the management committees.*

Amendment 43 Article 188, paragraph 3

3. The *Committee* shall adopt *its* Rules of Procedure.

3. The *committees* shall adopt *their* Rules of Procedure.

Amendment 44 Article 195, paragraph 1, point (a)

(a) Regulations (EEC) No 234/68, (EEC) No 827/68, (EEC) No 2517/69, (EEC)

(a) Regulations (EEC) No 234/68, (EEC) No 827/68, (EEC) No 2728/75, (EEC)

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No 2728/75, (EEC) No 2729/75, (EEC) No 2759/75, (EEC) No 2771/75, (EEC) No 2777/75, (EEC) No 1055/77, (EEC) No 2931/79, (EEC) No 1358/80, (EEC) No 3730/87, (EEC) No 4088/87, (EEC) No 2075/92, (EEC) No 2077/92, (EEC) No 404/93, (EC) No 1254/1999, (EC) No 2529/2001, (EC) No 670/2003, (EC) No 797/2004 and (EC) No 1952/2005 as from 1 January 2008; No 2729/75, (EEC) No 2759/75, (EEC) No 2771/75, (EEC) No 2777/75, (EEC) No 1055/77, (EEC) No 2931/79, (EEC) No 1358/80, (EEC) No 3730/87, (EEC) No 4088/87, (EEC) No 2075/92, (EEC) No 2077/92, (EEC) No 404/93, (EC) No 1254/1999, (EC) No 2529/2001, (EC) No 670/2003, (EC) No 797/2004 and (EC) No 1952/2005 as from 1 January 2008;

Amendment 45 Article 198, paragraph 2, point (e)

deleted

(e) as regards the wine sector as well as Article 191, from 1 August 2008;

> Amendment 46 Annex I, Part IX

Text proposed by the Commission

Part IX: Fruit and Vegetables

As regards fruit and vegetables, this Regulation shall cover the products listed in the following table:

CN code 0702 00 00		Description	
		Tomatoes, fresh or chilled	
	0703	Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled	
	0704	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled	
	0705	Lettuce (Lactuca sativa) and chicory (Cichorium spp.), fresh or chilled	
	0706	Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh or chilled	
	0707 00	Cucumbers and gherkins, fresh or chilled	
	0708	Leguminous vegetables, shelled or unshelled, fresh or chilled	
ex	0709	Other vegetables, fresh or chilled, excluding vegetables of subheadings 0709 60 91, 0709 60 95, 0709 60 99, 0709 90 31, 0709 90 39 and 0709 90 60	
ex	0802	Other nuts, fresh or dried, whether or not shelled or peeled, excluding areca (or betel) and cola nuts falling within	

		subheading 0802 90 20
	0803 00 11	Fresh plantains
ex	0803 00 90	Dried plantains
	0804 20 10	Figs, fresh
	0804 30 00	Pineapples
	0804 40 00	Avocados
	0804 50 00	Guavas, mangos and mangosteens
	0805	Citrus fruit, fresh or dried
	0806 10 10	Fresh table grapes
	0807	Melons (including watermelons) and pawpaws (papayas), fresh
	0808	Apples, pears and quinces, fresh
	0809	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh
	0810	Other fruit, fresh
	0813 50 31	Mixtures exclusively of dried nuts of headings 0801 and 0802
	0813 50 39	
	1212 99 30	Carobs

Amendment by Parliament Annex I, Part IX

deleted

## Amendment 47 Annex I, Part X

# Text proposed by the Commission

#### Part X: Processed Fruit and Vegetable Products As regards processed fruit and vegetable products, this Regulation shall cover the products listed in the following table:

CN Code	Descr	iption
(a) ex 0710	Vegetables (uncooked or cooked water) frozen, excluding sweetce olives of subheading 0710 80 10 Capsicum or of the genus Pimer	orn of subheading 0710 40 00, and fruits of the genus
ex 0711	Vegetables provisionally preserved (for example, by sub dioxide gas, in brine, in sulphur water or in other prese solutions), but unsuitable in that state for immediate consumption, excluding olives of subheading 0711 20, the genus Capsicum or of the genus Pimenta of subhead	
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		0711 90 10 and sweetcorn of subhe	eading 0711 90 30
ex	0712	Dried vegetables, whole, cut, sliced not further prepared, excluding po artificial heat-drying and unfit for within subheading ex 0712 90 05, s subheadings ex 0712 90 11 and 07, within subheading ex 0712 90 90	tatoes dehydrated by human consumption falling sweetcorn falling within the
	0804 20 90	Dried figs	
	0806 20	Dried grapes	
ex	0811	Fruit and nuts, uncooked or cooke water, frozen, not containing added matter, excluding frozen bananas j ex 0811 90 95	d sugar or other sweetening
ex	0812	Fruit and nuts, provisionally prese dioxide gas, in brine, in sulphur we solutions), but unsuitable in that st consumption, excluding bananas f ex 0812 90 98	ater or in other preservative tate for immediate
ex	0813	Fruit, dried, other than that of hea of nuts or dried fruits of this chapt exclusively of nuts of headings 080 subheadings 0813 50 31 and 0813	er excluding mixtures )1 and 0802 falling within
	0814 00 00	Peel of citrus fruit or melons (inclu frozen, dried or provisionally prese water or in other preservative solut	erved in brine, in sulphur
	0904 20 10	Dried sweet peppers, neither crush	ed nor ground
(b) ex	0811	Fruit and nuts, uncooked or cooke water, frozen, containing added su matter	
ex	1302 20	Pectic substances and pectinates	
ex	2001	Vegetables, fruit, nuts and other ea or preserved by vinegar or acetic a	
		- fruit of the genus Capsicun or pimentos of subheading 2001 90	
		- sweetcorn (Zea mays var. s 2001 90 30	accharata) of subheading
		- yams, sweet potatoes and su containing 5% or more by weight of 2001 90 40	imilar edible parts of plants of starch of subheading
		- palm hearts of subheading	2001 90 60
		- olives of subheading 2001	90 65
		- vine leaves, hop shoots and plants falling within subheading ex	l other similar edible parts of x 2001 90 99
	2002	Tomatoes prepared or preserved ot acetic acid	herwise than by vinegar or
	2003	Mushrooms and truffles, prepared	or preserved otherwise than
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	by vinegar or acetic acid
ex 2004	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than the products of heading 2006, excluding sweetcorn (Zea mays var. saccharata) of subheading ex 2004 90 10, olives of subheading ex 2004 90 30 and potatoes prepared or preserved in the form of flour, meal or flakes of subheading 2004 10 91
ex 2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 2006 excluding olives of subheading 2005 70, sweetcorn (Zea mays var. saccharata) of subheading 2005 80 00 and fruit of the genus Capsicum, other than sweet peppers or pimentos of subheading 2005 99 10 and potatoes prepared or preserved in the form of flour, meal or flakes of subheading 2005 20 10
ex 2006 00	Fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallised), excluding bananas preserved by sugar falling within headings ex 2006 00 38 and ex 2006 00 99
ex 2007	Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, whether or not containing added sugar or other sweetening matter, excluding:
	<i>– homogenised preparations of bananas of subheading</i> <i>ex 2007 10</i>
	– jams, jellies, marmalades, purée or pastes of bananas of subheadings ex 2007 99 39, ex 2007 99 57 and ex 2007 99 98
ex 2008	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included, excluding:
	– peanut butter of subheading 2008 11 10
	– palm hearts of subheading 2008 91 00
	– maize of subheading 2008 99 85
	<ul> <li>yams, sweet potatoes and similar edible parts of plants,</li> <li>containing 5% or more by weight of starch of subheading</li> <li>2008 99 91</li> </ul>
	- vine leaves, hop shoots and other similar edible parts of plants falling within subheading ex 2008 99 99
	- mixtures of banana otherwise prepared or preserved of subheadings ex 2008 92 59, ex 2008 92 78, ex 2008 92 93 and ex 2008 92 98
	- bananas otherwise prepared or preserved of subheadings ex 2008 99 49, ex 2008 99 67 and ex 2008 99 99
ex 2009	Fruit juices (excluding grape juice and grape must of subheadings 2009 61 and 2009 69 and banana juice of subheading ex 2009 80) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter

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Amendment by Parliament Annex I, Part X

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## Amendment 48 Annex I, Part XII

#### Text proposed by the Commission

## Part XII: Wine

## As regards wine, this Regulation shall cover the products listed in the following table:

	CN codes	Description
(a)	2009 61 2009 69	Grape juice (including grape must)
	2204 30 92 2204 30 94 2204 30 96 2204 30 98	Other grape musts, other than those in fermentation or with fermentation arrested otherwise than by the addition of alcohol
(b)	ex 2204	Wine of fresh grapes, including fortified wines; grape must other than that of heading 2009, excluding other grape must of subheadings 2204 30 92, 2204 30 94, 2204 30 96 and 2204 30 98
(c)	0806 10 90	Fresh grapes other than table grapes
	2209 00 11 2209 00 19	Wine vinegar
(d)	2206 00 10	Piquette
	2307 00 11 2307 00 19	Wine lees
	2308 00 11 2308 00 19	Grape marc

Amendment by Parliament Annex I, Part XII

deleted

## Amendment 49 Annex II a (new)

#### Amendment by Parliament

## PURCHASE TERMS FOR BEET

## POINT I

For the purposes of this Annex "Contracting Parties" means: (a) sugar undertakings (hereinafter referred to as "manufacturers"),

and

(b) beet sellers (hereinafter referred to as "sellers").

## POINT II

1. Delivery contracts shall be made in writing for a specified quantity of quota beet.

2. Delivery contracts shall specify whether an additional quantity of beet may be supplied, and under what terms.

# POINT III

1. Delivery contracts shall indicate the purchase prices for the quantities of beet, on the understanding that a distinction shall be drawn depending on whether the quantities of sugar produced from that beet are:

(a) quota sugar;

(b) surplus sugar.

In the case of the quantities referred to in point (a), the prices may not be lower than the minimum price for quota beet indicated in Article 5(1) of Council Regulation (EC) No 318/2006 on the common organisation of the markets in the sugar sector<sup>1</sup>.

2. Delivery contracts shall lay down a fixed sugar content for beet. They shall include a conversion scale showing the different sugar contents and factors for converting the quantities of beet supplied into quantities corresponding to the sugar content shown in the delivery contract.

The scale shall be based on the yields corresponding to the different sugar contents.

3. Where a seller has signed a delivery contract with a manufacturer for the delivery of beet intended for the production of quota sugar, all deliveries by that seller, converted in accordance with paragraph 2 of this Point, shall be considered to be deliveries of beet intended for the production of quota sugar, up to the quantity of beet specified in

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<sup>&</sup>lt;sup>1</sup> OJ L 58, 28.2.2006, p. 1. Regulation last amended by Commission Regulation (EC) No 247/2007 (OJ L 69, 9.3.2007, p. 3).

the delivery contract.

4. Manufacturers producing a quantity of sugar lower than their quota beet for which they have signed pre-sowing delivery contracts shall distribute the quantity of beet corresponding to any additional production up to the amount of their quota among the sellers with whom they have signed pre-sowing contracts for the delivery of beet intended for the production of quota sugar.

Agreements within the trade may derogate from this provision.

## **POINT IV**

1. Delivery contracts shall contain provisions concerning the staggering and normal duration of beet deliveries.

2. Provisions referred to in paragraph 1 shall be those applicable during the previous marketing year, taking account of the level of actual production; agreements within the trade may derogate therefrom.

#### POINT V

1. Delivery contracts shall provide for beet collection places.

2. Where sellers and manufacturers have already signed a delivery contract for the previous marketing year, the collection places agreed upon by them for deliveries during that marketing year shall remain in operation. Agreements within the trade may derogate from this provision.

3. Delivery contracts shall provide that loading and transport costs from the collection places are to be borne by the manufacturer subject to special agreements based on local rules or usages in operation before the previous marketing year.

4. However, in Denmark, Greece, Spain, Ireland, Portugal, Finland and the United Kingdom, where beet is delivered free-at-factory, delivery contracts shall require manufacturers to contribute to loading and transport costs and shall stipulate the percentage or amounts.

#### POINT VI

1. Delivery contracts shall provide for reception points for beet.

2. Where sellers and manufacturers have already signed a delivery contract for the previous marketing year, the reception points agreed upon by them for deliveries during that marketing year shall remain in operation. Agreements within the trade may derogate from this provision.

#### POINT VII

1. Delivery contracts shall provide for the sugar content to be determined using the polarimetric method. A sample of the beet shall be drawn at the time of reception.

2. Agreements within the trade may provide for samples to be drawn at another stage. In such cases, the delivery contract shall provide for a correction to compensate for any drop in the sugar content between the reception and the drawing of the sample.

#### **POINT VIII**

Delivery contracts shall provide for gross weight, tare and sugar content to be determined using one of the following procedures:

(a) jointly, by the manufacturer and the beet growers' trade organisation, if an agreement within the trade so provides;

(b) by the manufacturer, under the supervision of the beet growers' trade organisation;

(c) by the manufacturer, under the supervision of an expert recognised by the Member State concerned, provided the seller defrays the costs thereof.

#### POINT IX

1. Delivery contracts shall require manufacturers to do one or more of the following for the whole quantity of beet delivered:

(a) to return the fresh pulp from the tonnage of beet delivered free of charge to the seller, ex factory;

(b) to return part of that pulp, pressed, dried or dried and molassed, free of charge to the seller, ex factory;

(c) to return the pulp, pressed or dried, to the seller, ex factory; in this case, the manufacturer may require the seller to pay the pressing or drying costs;

(d) to pay the seller compensation which takes account of the possibilities of selling the pulp concerned.

When parts of the whole quantity of beet delivered are subject to different treatment, the delivery contract shall impose more than one of the obligations provided for in the first subparagraph.

2. Agreements within the trade may provide for pulp to be delivered at a stage other than that referred to in paragraph 1(a), (b) and (c).

#### POINT X

1. Delivery contracts shall fix the time limits for any advance payments and for payment of the purchase price for beet.

2. The time limits referred to in paragraph 1 shall be those valid during the previous marketing year. Agreements within the trade may derogate from this provision.

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## POINT XI

Where delivery contracts lay down rules covering matters which are dealt with in this Annex, or where they contain provisions governing other matters, their provisions and effects shall not conflict with this Annex.

## POINT XII

1. Agreements within the trade shall contain arbitration clauses.

2. Where agreements within the trade at Community, regional or local level lay down rules covering matters which are dealt with in this Regulation, or where they contain provisions governing other matters, their provisions and effects shall not conflict with this Annex.

3. Agreements referred to in paragraph 2 lay down, in particular:

(a) rules on the distribution to sellers of quantities of beet which the manufacturer decides to buy prior to sowing, for the manufacture of sugar within the limits of the quota;

(b) rules on distribution as referred to in Point III(4);

(c) the conversion scale referred to in Point III(2);

(d) rules on the choice and supply of seeds of the varieties of beet to be produced;

(e) the minimum sugar content of beet to be delivered;

(f) a requirement for consultation between the manufacturer and the sellers' representatives before the starting date of beet deliveries is fixed;

(g) the payment of premiums to sellers for early or late deliveries;

(h) details of:

(i) the part of the pulp referred to in Point IX(1)(b),

(ii) the costs referred to in Point IX(1)(c),

(iii) the compensation referred to in Point IX(1)(d);

(i) the removal of pulp by the seller;

(j) without prejudice to the provisions concerning the minimum price for quota beet, as laid down in Article 5(1) of Regulation (EC) No 318/2006, rules on how any difference between the reference price and the actual selling price of the sugar is to be allocated between the manufacturer and sellers.

#### POINT XIII

Where there is no set agreement within the trade as to how the quantities of beet

intended for the manufacture of sugar within the quota limits which the manufacturer offers to buy before sowing should be allocated among the sellers, the Member State concerned may itself lay down rules for such allocation.

Those rules may also grant to traditional sellers of beet to cooperatives delivery rights other than those which they would enjoy if they belonged to such cooperatives.

(Partial incorporation of the text of Annex II to Council Regulation (EC) No 318/2006).

# **EXPLANATORY STATEMENT**

As part of implementation of its action plan to simplify the common agricultural policy, the Commission has put forward a proposal for a regulation that consolidates the existing 21 regulations on sector-specific common market organisations (CMOs) and combines them into a single basic regulation with a view to streamlining and simplifying the legal framework without changing the underlying policy.

The proposal is a follow-up to the strategy commenced with the 2003 reform of the common agricultural policy where a horizontal legal framework was established for all direct payments and an array of support systems was amalgamated in Council Regulation (EC) No 1782/2003 (the single payment scheme).

The result of this proposal will be a single set of harmonised rules in the classic areas of intervention, private storage, import tariff quotas, export refunds, safeguard measures, state aid and competition rules and the communication and reporting of data.

The existing sector-specific rules have been re-arranged by instrument or policy area and merged where possible into horizontal provisions.

This is possible because most basic regulations follow the same structure and have numerous provisions in common. This is the case in particular as regards the rules on trade with third countries and general provisions but also to a certain extent for the rules related to the internal market.

The basic sectoral regulations contain different solutions to identical or similar problems which the Commission has harmonised and simplified in its proposal with a horizontal approach.

The ongoing reforms of market organisations will not be affected initially but their outcome will subsequently be incorporated into the regulation.

It is proposed that the provisions in the proposed regulation enter into force in such a way as to ensure a smooth transition to the new rules. A total of 41 regulations can be repealed when this common market organisation takes effect.

## Simplification of the common agricultural policy

With this proposal, the Commission has embarked on an ambitious and laudable project. Even though it does not immediately appear to be an obvious simplification for all those who up to now have had to deal with only one or just a few market organisations, it will presumably, and hopefully, rapidly turn out to be a simplification after a period of familiarisation. For those using several of the sector-specific market organisations or wanting an overview of the various market organisations, this consolidated set of rules is a welcome aid.

This legislative package constitutes the regulatory framework for the agricultural industry and the overriding aim should be to create clarity around this regulatory framework in such a way

that it is also perceived as a simplification by those for whom this legislation is designed.

The Commission has given repeated assurances that only technical changes are involved and that simplification must not be seen as an attempt to change underlying policy.

Nevertheless, the Commission has proposed removing the option of public intervention for pigmeat on the admirable grounds that the scheme has not been used for three decades but, in so doing, the Commission is embarking on policy changes. In order to confer maximum credibility on the Commission's exclusively technical intentions, the rapporteur believes that the intervention scheme for pigmeat should be retained so that the changes in this proposal remain exclusively of a technical nature.

## A single basic regulation

When all sectoral regulations are to be combined in one single basic regulation, it is a logical consequence that the sectoral regulations that are currently being reformed and that are excluded from this proposal should be incorporated once the reforms have been completed. It ought therefore to be unnecessary to anticipate outcomes and incorporate parts of the reform prematurely.

## Transferral of powers from the Council to the Commission

The Commission proposes that certain provisions in the existing Council regulations are so technical in nature that it is not deemed appropriate for the Council to retain regulatory powers. In respect of these provisions it is proposed that regulatory competence be transferred to the Commission assisted by a management committee.

These are technical provisions concerning such technical details as terms of contract, notification and disclosure requirements concerning sectoral agreements, listing of products subject to private storage, etc., which the Council has up to now been able to adopt without first consulting the European Parliament ('second-generation acts').

Insofar as these are **solely** provisions of a purely technical nature, the rapporteur feels it is reasonable to transfer regulatory competence to the Commission which can take decisions swiftly and effectively. Any decision of a political nature must continue to be adopted in accordance with the procedure set out in Article 37 of the Treaty after consulting the European Parliament.

#### Establishment of a single management committee

Following up the proposed simplification, the Commission further proposes that there should be only one management committee. By way of follow-up to the most recent reform of the common agricultural policy it seems sensible to cut the number of management committees when consolidating the existing set of rules, but cutting the number to one single management committee raises doubts as to how it is possible at the same time to ensure that the necessary sectoral expertise is available. The Commission does not explain satisfactorily in the proposal how a single management committee can achieve the necessary sectoral expertise and operate in practice.

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There is a major difference between the market mechanisms that apply within the various sectors and it must therefore be a minimum requirement to operate with at least two management committees divided up into a committee for animal products and one for vegetable products. Within these two main areas there is also such great variety that very serious thought ought to be given to whether there is a need to operate with more than just two management committees. Furthermore, it should be ensured that the management committees are assisted by the necessary sectoral expertise from the Member States and the Commission.

The Commission should produce an evaluation of this issue in two years' time and it should then be possible to modify the number of management committees and the way their work is organised if this is deemed necessary, not least to ensure that the necessary sectoral expertise is available.

Title	Common organisation of agricultural markets	
References	COM(2006)0822 - C6-0045/2007 - 2006/0269(CNS)	
Date of consulting Parliament	16.1.2007	
<b>Committee responsible</b> Date announced in plenary	AGRI 18.1.2007	
Rapporteur(s) Date appointed	Niels Busk 19.12.2006	
Discussed in committee	23.1.2007 11.4.2007 8.5.2007	
Date adopted	8.5.2007	
Result of final vote	$ \begin{array}{cccc} +: & 30 \\ -: & 0 \\ 0: & 4 \end{array} $	
Members present for the final vote	Vincenzo Aita, Peter Baco, Katerina Batzeli, Thijs Berman, Niels Busk, Luis Manuel Capoulas Santos, Dumitru Gheorghe Mircea Coşea, Joseph Daul, Albert Deß, Gintaras Didžiokas, Carmen Fraga Estévez, Lutz Goepel, Friedrich-Wilhelm Graefe zu Baringdorf, Esther Herranz García, Elisabeth Jeggle, Atilla Béla Ladislau Kelemen, Heinz Kindermann, Véronique Mathieu, Rosa Miguélez Ramos, Neil Parish, Radu Podgorean, María Isabel Salinas García, Agnes Schierhuber, Willem Schuth, Czesław Adam Siekierski, Csaba Sándor Tabajdi, Marc Tarabella, Witold Tomczak, Donato Tommaso Veraldi, Janusz Wojciechowski, Andrzej Tomasz Zapałowski	
Substitute(s) present for the final vote	Esther De Lange, Hynek Fajmon, Ilda Figueiredo, Jan Mulder, James Nicholson, Armando Veneto	
Date tabled	10.5.2007	

# PROCEDURE