



2018/0218(COD)

12.2.2019

OPINION

of the Committee on Development

for the Committee on Agriculture and Rural Development

on the proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union and (EU) No 229/2013 laying down specific measures for agriculture in favour of the smaller Aegean islands
(COM(2018)0394 – C8-0246/2018 – 2018/0218(COD))

Rapporteur for opinion: Maria Heubuch

PA_Legam

SHORT JUSTIFICATION

The EU's commitment to Policy Coherence for Development is codified in Article 208 of the Lisbon Treaty. In this article, the EU pledges to take account of development objectives in all policies likely to affect developing countries and to avoid contradictions between these policies. Food security and sustainable agriculture are priority areas of EU development cooperation. The relevant EU policy framework¹ (2010) underlines the importance of Policy Coherence for Development (PCD) for global food security and singles out the EU Common Agricultural Policy (CAP).

Although the CAP's incoherence with development objectives has diminished, especially since export subsidies have been phased out, problems with incoherence remain. Negative effects for development are, inter alia, caused by CAP market support measures, which are meant to regulate and strengthen the EU market but distort trade and do harm to developing countries' agricultural markets.

This amending regulation changes a set of existing regulations that are elements of the CAP, including Regulation 1308/2013 on the common organisation of the markets in agricultural products (CMO), which organises the European single CMO. Measures include public intervention and private storage aid; exceptional measures in case of market disturbance including export refunds; marketing standards; etc. The European Commission's proposal leaves most of the CMO regulation unchanged. Analysis of the new legislative proposal from a PCD perspective shows that the commitment to PCD is not yet explicit and that lessons learned from past market crises of overproduction and dumping-style practices have not been sufficiently taken into account.

For example in the EU milk sector, overproduction has regularly caused crises, to which the CAP reacted with a safety net measure providing aid for storing milk powder. This subsidy paired with increased exports of milk powder to West Africa: in Burkina Faso, EU milk became three times cheaper than local milk. Therefore, such responses were incoherent with development objectives, in particular SDG 2, as they destroyed local markets and threatened the livelihoods of smaller producers.

The rapporteur proposes to amend the regulation to introduce a stronger commitment to PCD, to address oversupply on European markets and to prevent crises:

- Stronger commitment to PCD, the Agenda 2030 and the Paris Climate Agreement;
- Addressing oversupply with a Voluntary Volume Reduction Scheme that kicks in in the event of serious market disturbance;
- Anticipating and preventing crises in the milk sector by expanding the monitoring role of the EU milk market observatory and a crisis mechanism triggered if a misbalance is detected.

¹ European Commission, Communication from the Commission to the Council and the European Parliament: An EU policy framework to assist developing countries in addressing food security challenges. COM(2010)127 final. Brussels, EC, 31 March 2010.

AMENDMENTS

The Committee on Development calls on the Committee on Agriculture and Rural Development, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Citation 1

Text proposed by the Commission

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(2), Article 114, the first paragraph of Article 118 and Article 349 thereof,

Amendment

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(2), Article 114, the first paragraph of Article 118 and Article 349 **as well as Article 208** thereof,

Amendment 2

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled ‘The Future of Food and Farming’ of 29 November 2017 sets out the challenges, objectives and orientations for the future Common Agricultural Policy (CAP) after 2020. These objectives include, inter alia, the need for the CAP to be more result-driven, to boost modernisation and sustainability, including the economic, social, environmental and climate sustainability of the agricultural, forestry and rural areas, and to help reducing the Union legislation-related administrative burden for beneficiaries.

Amendment

(1) The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled ‘The Future of Food and Farming’ of 29 November 2017 sets out the challenges, objectives and orientations for the future Common Agricultural Policy (CAP) after 2020. These objectives include, inter alia, the need for the CAP to be more result-driven, to boost, ***in line with the 2030 Agenda for Sustainable Development and the Paris Climate Agreement***, modernisation and sustainability, including the economic, social, environmental and climate sustainability of the agricultural, forestry and rural areas, ***to produce healthy food*** and to help reducing the Union legislation-related administrative burden for beneficiaries. ***The Communication also stresses the global dimension of the CAP***

and states the Union's commitment to enhance Policy Coherence for Sustainable Development (PCSD).

Amendment 3

Proposal for a regulation Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) In order to address the global dimension and implications of the CAP, coherence and continuity with other Union's external policies and instruments, in particular in the development cooperation and trade, should be ensured. The Union's commitment to policy coherence for development requires taking account of development objectives and principles when designing agricultural policies, especially to ensure that they are in line with the Sustainable Development Goals and the Paris Agreement.

Amendment 4

Proposal for a regulation Recital 2

Text proposed by the Commission

Amendment

(2) Since the CAP needs to sharpen its responses to the challenges and opportunities as they manifest themselves at Union, international, national, regional, local and farm levels, it is necessary to streamline the governance of the CAP and improve its delivery on the Union objectives and to significantly decrease the administrative burden. In the CAP based on delivery of performance ('delivery model'), the Union should set the basic policy parameters, such as objectives of the CAP and basic requirements, while Member States should bear greater

(2) Since the CAP needs to sharpen its responses to the challenges and opportunities as they manifest themselves at Union, international, national, regional, local and farm levels, it is necessary to streamline the governance of the CAP and improve its delivery on the Union objectives and to significantly decrease the administrative burden. In the CAP based on delivery of performance ('delivery model'), the Union should set the basic policy parameters, such as objectives of the CAP and basic requirements, while Member States should bear greater

responsibility as to how they meet the objectives **and** achieve targets. Enhanced subsidiarity makes it possible to better take into account local conditions and needs, tailoring the support to maximise the contribution to Union objectives.

responsibility as to how they meet the objectives, achieve targets **and as to the effects of their actions on developing countries**. Enhanced subsidiarity makes it possible to better take into account local conditions and needs, tailoring the support to maximise the contribution to Union objectives.

Amendment 5

Proposal for a regulation Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) In accordance with Article 208 of the Treaty on the Functioning of the European Union (TFEU), the implementation of the CAP shall be in coherence with the objectives of development cooperation, including, inter alia, the 2030 Agenda for Sustainable Development. In line with this policy coherence, measures taken under this Regulation should not jeopardise either the food production capacity and long-term food security of developing countries, in particular least developed countries (LDCs), or the achievement of the Union's climate change mitigation obligations under the Paris Agreement.

Justification

According to Article 208 TFEU, all EU policies, which are likely to affect developing countries, must take development objectives into account. Facilitating developing countries' agricultural development and enhancing global food security are major objectives of the EU development cooperation. The CAP influences agricultural trade in particular. The principle of Policy Coherence for Development requires that impacts on local agricultural markets and local producers in developing countries be monitored and, wherever possible, avoided.

Amendment 6

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) Annex II to Regulation (EU) No 1308/2013 sets out certain definitions concerning sectors falling within the scope of that Regulation. Definitions concerning the sugar sector set out in Section B of Part II of that Annex should be deleted because they are no longer applicable. In order to update definitions concerning other sectors referred to in that Annex, in light of new scientific knowledge or market developments, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the amendment of those definitions. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council. Consequently, the individual empowerment delegated to the Commission in point 4 of section A of Part II of that Annex to amend the definition of inulin syrup should be deleted.

Amendment

(4) Annex II to Regulation (EU) No 1308/2013 sets out certain definitions concerning sectors falling within the scope of that Regulation. Definitions concerning the sugar sector set out in Section B of Part II of that Annex should be deleted because they are no longer applicable. In order to update definitions concerning other sectors referred to in that Annex, in light of new scientific knowledge or market developments, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the amendment of those definitions. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level ***and with partners in third countries***. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council. Consequently, the individual empowerment delegated to the Commission in point 4 of section A of Part II of that Annex to amend the definition of inulin syrup should be deleted.

Amendment 7

Proposal for a regulation

Recital 14 a (new)

Text proposed by the Commission

Amendment

(14a) Partners in developing countries should thus be helped to develop a system of geographical indications and labels. These should then also be recognised by the Union and its Member States.

Amendment 8

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) The assessment carried out by the competent authorities of Member States is an essential step in the procedure. Member States have knowledge, expertise and access to data and facts that make them the best placed to verify whether the information provided in the application is correct and truthful. Therefore, Member States should guarantee that the result of that assessment, which is to be faithfully recorded in a single document summarising the relevant elements of the product specification, is reliable and accurate. Having regard to the principle of subsidiarity, the Commission should subsequently scrutinise applications to ensure that there are no manifest errors and that Union law and the interests of stakeholders outside the Member State of application are taken into account.

Amendment

(15) The assessment carried out by the competent authorities of Member States is an essential step in the procedure. Member States have knowledge, expertise and access to data and facts that make them the best placed to verify whether the information provided in the application is correct and truthful. Therefore, Member States should guarantee that the result of that assessment, which is to be faithfully recorded in a single document summarising the relevant elements of the product specification, is reliable and accurate. Having regard to the principle of subsidiarity, the Commission should subsequently scrutinise applications to ensure that there are no manifest errors and that Union law and the interests of stakeholders outside the Member State of application ***and outside the Union*** are taken into account.

Amendment 9

Proposal for a regulation

Recital 27

Text proposed by the Commission

(27) In respect of export credits, export credit guarantees and insurance programmes, agricultural exporting state trading enterprises and international food aid, Member States may adopt national measures respecting Union law. Since the Union and its Member States are WTO Members, such national measures should also comply with the rules laid down in that WTO Ministerial Decision of 19 December 2015, as a matter of Union law and international law.

Amendment

(27) In respect of export credits, export credit guarantees and insurance programmes, agricultural exporting state trading enterprises and international food aid, Member States may adopt national measures respecting Union law, ***including Policy Coherence for Development according to Article 208 TFEU and the 2030 Agenda for Sustainable Development***. Since the Union and its Member States are WTO Members, such national measures should also comply with

the rules laid down in that WTO Ministerial Decision of 19 December 2015, as a matter of Union law and international law. ***In this respect, PCD shall be always safeguarded and it shall be ensured that the measures are not to the detriment of developing countries through the distortion of the conditions of competition.***

Justification

Policy Coherence for Development (PCD) requires taking into account the objectives of development cooperation in policies, which are likely to affect developing countries. The EU's agricultural policy has external effects, influencing in particular agricultural trade. Agricultural exporting state trading enterprises and international food aid have direct implications for international market conditions. Thus, the repercussions of these changes on developing agriculture markets must be considered.

Amendment 10

Proposal for a regulation

Article 1 – paragraph 1 – point -1 (new)

Regulation (EU) No 1308/2013

Article 2 a (new)

Text proposed by the Commission

Amendment

(-1) In Part I, the following Article 2a is inserted:

Article 2a

Policy Coherence for Development

In accordance with Article 208 TFEU, objectives of EU development cooperation, including those agreed in the context of the United Nations and other international organisations, shall be taken into account in the implementation of this Regulation. Measures taken under this Regulation shall not jeopardise the food production capacity and long-term food security of developing countries, in particular of least developed countries (LDCs)

Public intervention and private stockholding shall not have a negative

impact on developing countries and shall comply with PCD principles. Accordingly, a subsequent sale of products that have been affected by public intervention and private stockholding shall not have a negative impact on the markets in developing countries.

Justification

According to Article 208 TFEU, all policies which are likely to affect developing countries must take EU development policy objectives into account. Facilitating developing countries' agricultural development and enhancing global food security are major objectives of EU development cooperation. The EU's agricultural policy has external effects, influencing in particular trade in agriculture. The PCD principle would require that potential repercussions on local agricultural markets and local producers in developing countries be monitored and, wherever possible, avoided.

Amendment 11

Proposal for a regulation

Article 1 – paragraph 1 – point 3 a (new)

Regulation (EU) No 1308/2013

Article 7 a (new)

Text proposed by the Commission

Amendment

(3a) The following Article is inserted:

Article 7a

Voluntary reduction of quantities

The possibility of a voluntary reduction of quantities shall be introduced. This intervention shall be possible when the Commission decides that there is a serious disturbance of the market in a sector (from the list in Article 1(2) of Regulation 1308/2013). Producers may then voluntarily reduce their production volume over a period to be determined by the Commission, in relation to the same period in the previous year.

The Commission shall be empowered to adopt delegated acts in order to lay down the following:

– Maximum supply

quantities/volumes

- *Duration of the reduced production*
- *Level of compensation for producers who reduce quantities*
- *Level of the penalty for producers who increase their production during that period*

Amendment 12

Proposal for a regulation

Article 1 – paragraph 1 – point 3 b (new)

Regulation (EU) No 1308/2013

Article 16 – paragraph 1

Present text

1. Disposal of products bought in under public intervention shall take place in such a way as to:
- (a) avoid any disturbance of the market,
 - (b) ensure equal access to goods and equal treatment of purchasers, **and**
 - (c) ***be in compliance*** with the commitments resulting from international agreements concluded in accordance with the TFEU.

Amendment

(3b) Article 16(1) is replaced by the following

1. Disposal of products bought in under public intervention shall take place in such a way as to:
- (a) avoid any disturbance of the ***Union*** market ***or third country markets***,
 - (b) ensure equal access to goods and equal treatment of purchasers,
 - (c) ***comply*** with the commitments resulting from international agreements concluded in accordance with the TFEU, ***and***
- (ca) comply with Policy Coherence for Development according to Article 208 TFEU.***

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02013R1308-20180101>)

Justification

Further provisions are added to ensure that disposal from public intervention is undertaken in line with Article 208 TFEU, requiring Policy Coherence for Development (e). Specifically, disposal of products must not disturb third country markets, as well as the Union market (a). Finally, products shall not be disposed at a price below the relevant public intervention price - whether this is a fixed price according to Article 15(1)(a) or the maximum price according

to Article 15(1)(b)

Amendment 13

Proposal for a regulation

Article 1 – paragraph 1 – point 26 a (new)

Regulation (EU) No 1308/2013

Chapter VIIa – Article 205 a (new)

Text proposed by the Commission

Amendment

(26a) In Part III, the following Chapter VIIa is inserted:

Chapter VIIa

Article 205a

Monitoring Policy Coherence for Development

1. In accordance with Article 208 TFEU, the impact of the CAP on food systems and on long-term food security in developing countries shall be subject to regular and independent assessments. This monitoring shall pay particular attention to the impact of agro-food trade flows between the Union and developing countries on

(i) food production, processing and distribution in LDCs,

(ii) local smallholder producers and women farmers

(iii) products deemed as sensitive by developing countries

(iv) products from sectors where CAP coupled payments have been granted and where CAP crisis management measures have been deployed.

2. The assessment shall examine data from the Union market observatories, case studies, reporting on the Sustainable Development Goals, as well as evidence provided by partner countries and other relevant stakeholders such as civil society organisations. For this purpose, the sectoral and geographic scope of the

Union market observatories shall be expanded to products deemed as sensitive by partner countries and to cover LDCs. The Commission shall be empowered to adopt delegated acts in order to define the scope and the procedure for the assessment.

3. If monitored data indicate a risk of adversely affecting the agro-food production and processing or food security of a developing country, an early warning shall be issued by the European Commission, prompting a consultation between the Union and affected farming communities as well as partner country governments to agree measures. A social safeguard shall be available to affected parties.

4. Should no early warning be issued but adverse effects occur, the affected party may file a complaint. Complaints shall be received by the European Parliament's Standing Rapporteur on Policy Coherence for Development and the complaint shall be handled by Hearing Officers in the European Commission. Evidence may be presented by the affected groups and other interested parties.

5. The Commission shall transmit an annual report to the Council and to the European Parliament on the results of the assessment, the evidence received and the Union's policy response.

Amendment 14

Proposal for a regulation

Article 1 – paragraph 1 – point 27

Regulation (EU) No 1308/2013

Article 225 – paragraph 1 – points a to d

Text proposed by the Commission

(27) In Article 225, points (a) **to** (d) are deleted;

Amendment

(27) In Article 225, points (a), (c) **and** (d) are deleted;

Justification

The milk market still requires monitoring, and reporting requirements here should not be deleted

Amendment 15

Proposal for a regulation

Article 1 – paragraph 1 – point 27 a (new)

Regulation (EU) No 1308/2013

Article 225 – paragraph 1 – point b

Present text

(b) by 30 June **2014 and also by 31 December 2018**, on the development of the market situation in the milk and milk products sector, and in particular on the operation of Articles 148 to 151, Article 152(3) and Article 157(3), assessing in particular the effects on milk producers and milk production in disadvantaged regions in connection with the general objective of maintaining production in such regions, and covering potential incentives to encourage farmers to enter into joint production agreements, together with any appropriate proposals;

Amendment

(27a) Article 225 point (b) is replaced by the following:

(b) **every four years and for the first time** by 30 June **2022**, on the development of the market situation in the milk and milk products sector, and in particular on the operation of Articles 148 to 151, Article 152(3) and Article 157(3), assessing in particular the effects on milk producers and milk production in disadvantaged regions in connection with the general objective of maintaining production in such regions, and covering potential incentives to encourage farmers to enter into joint production agreements, together with any appropriate proposals;

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02013R1308-20180101>)

Justification

The milk market still requires monitoring, and reporting requirements here should be updated.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union and (EU) No 229/2013 laying down specific measures for agriculture in favour of the smaller Aegean islands
References	COM(2018)0394 – C8-0246/2018 – 2018/0218(COD)
Committee responsible Date announced in plenary	AGRI 11.6.2018
Opinion by Date announced in plenary	DEVE 5.7.2018
Rapporteur Date appointed	Maria Heubuch 11.7.2018
Discussed in committee	19.11.2018
Date adopted	7.2.2019
Result of final vote	+: 20 –: 0 0: 2
Members present for the final vote	Beatriz Becerra Basterrechea, Ignazio Corrao, Charles Goerens, Maria Heubuch, György Hölvényi, Arne Lietz, Linda McAvan, Norbert Neuser, Elly Schlein, Bogusław Sonik, Mirja Vehkaperä, Anna Záborská
Substitutes present for the final vote	Stefan Gehrold, Bernd Lucke, Judith Sargentini
Substitutes under Rule 200(2) present for the final vote	Asim Ademov, Czesław Hoc, Monika Hohlmeier, John Howarth, Tom Vandenkendelaere, Josef Weidenholzer, Bogdan Andrzej Zdrojewski

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

20	+
ALDE	Beatriz Becerra Basterrechea, Charles Goerens, Mirja Vehkaperä
EFDD	Ignazio Corrao
PPE	Asim Ademov, Stefan Gehrold, Monika Hohlmeier, György Hölvényi, Bogusław Sonik, Tom Vandenkendelaere, Anna Záborská, Bogdan Andrzej Zdrojewski
S&D	John Howarth, Arne Lietz, Linda McAvan, Norbert Neuser, Elly Schlein, Josef Weidenholzer
VERTS/ALE	Maria Heubuch, Judith Sargentini

0	-

2	0
ECR	Czesław Hoc, Bernd Lucke

Key to symbols:

+ : in favour

- : against

0 : abstention