

P6_TA(2005)0306

Agriculture in the outermost regions of the Union *

European Parliament legislative resolution on the proposal for a Council regulation laying down specific measures for agriculture in the outermost regions of the Union (COM(2004)0687 – C6-0201/2004 – 2004/0247(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2004)0687)¹,
 - having regard to Articles 36, 37 and 299(2) of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0201/2004),
 - 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 International Trade and the Committee on Regional Development (A6-0195/2005),
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) The particular geographical situation of the outermost regions imposes additional transport costs in supplying products which are essential for human consumption, for processing or as agricultural inputs. In

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¹ Not yet published in OJ.

addition, objective factors arising as a result of insularity and remoteness impose further constraints on economic operators and producers in the outermost regions that severely handicap their activities. These handicaps can be alleviated by lowering the price of these essential products. It is therefore appropriate to introduce specific supply arrangements to guarantee supply to the outermost regions and compensate for the additional costs arising from their remoteness, insularity and distant location.

addition, objective factors arising as a result of insularity and remoteness impose further constraints on economic operators and producers in the outermost regions that severely handicap their activities. ***In some cases, economic operators and producers face a double insularity arising from the distance between islands in the same region.*** These handicaps can be alleviated by lowering the price of these essential products. It is therefore appropriate to introduce specific supply arrangements to guarantee supply to the outermost regions and compensate for the additional costs arising from their remoteness, insularity and distant location.

Amendment 2
Recital 2 a (new)

(2a) The Commission should apply an effective policy to promote SMEs in the agri-foodstuffs sector in the outermost regions to enable them to maintain their traditional exports and increase trade with neighbouring third countries.

Amendment 3
Recital 4

(4) Since the quantities covered by the specific supply arrangements are limited to the supply requirements of the outermost regions, those arrangements do not impair the proper functioning of the internal market. Nor should the economic advantages of the specific supply arrangements provoke diversions of trade in the products concerned. Dispatching or exportation of those products from the outermost regions should therefore be prohibited. However, dispatch or exportation of those products should be authorised where the advantage resulting from the specific supply arrangements is reimbursed or, in the case of processed products, to permit regional trade or trade between the two Portuguese outermost regions. Account should also be taken of

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traditional trade flows with third countries in all the outermost regions, and exports of processed products corresponding to traditional exports for all those regions should accordingly be authorised. Nor should the restriction apply to the traditional dispatching of processed products. For the sake of clarity, the reference period for defining those traditionally exported or dispatched quantities should be specified.

traditional trade flows with third countries in all the outermost regions, and exports of processed products corresponding to traditional exports for all those regions should accordingly be authorised. Nor should the restriction apply to the traditional dispatching of processed products. For the sake of clarity, the reference period for defining those traditionally exported or dispatched quantities should be specified, ***and should take account of possible constraints on the traditional functioning of the market.***

Amendment 4
Recital 12 a (new)

(12a) The Commission should propose the necessary derogations to the Council to enable rural development programmes to be implemented, taking account of the specific features of the outermost regions.

Amendment 5
Recital 18

(18) Traditional livestock farming activities should be supported. In order to meet the local consumption needs of the French overseas departments and Madeira, duty-free imports from third countries of male bovine animals intended for fattening should be authorised subject to certain conditions and up to a maximum annual limit. The possibility opened under Regulation (EC) No 1782/2003 to enable Portugal to transfer rights to the suckler cow premium from the mainland to the Azores should be renewed and that instrument should be adjusted in line with the new support arrangements for the outermost regions.

(18) Traditional livestock farming activities should be supported. In order to meet the local consumption needs of the French overseas departments and Madeira, duty-free imports from third countries of male bovine animals intended for fattening should be authorised subject to certain conditions and up to a maximum annual limit. The possibility opened under Regulation (EC) No 1782/2003 to enable Portugal to transfer rights to the suckler cow premium from the mainland to the Azores should be renewed and that instrument should be adjusted in line with the new support arrangements for the outermost regions. ***In order to meet local consumption needs in the French overseas departments, duty-free imports from third countries of equine, bovine, bubaline, ovine and caprine animals intended for fattening should be authorised subject to certain conditions and up to a maximum annual limit. With***

a view to improved quality in beef production in the Azores, aid should be granted for the supply of male breeding stock of beef cattle breeds to the region, under certain conditions and up to a maximum limit to be determined.

Amendments 6 and 7
Recital 20

(20) Implementation of this Regulation must not jeopardise the level of special support from which the outermost regions have benefited up to now. For that reason, so that they can carry out the appropriate measures, the Member States should have at their disposal sums equivalent to the support already granted by the Community under Council Regulation (EC) No 1452/2001 of 28 June 2001 introducing specific measures for certain agricultural products for the French overseas departments, amending Directive 72/462/EEC and repealing Regulations (EEC) No 525/77 and (EEC) No 3763/91 (Poseidom) , Council Regulation (EC) No 1453/2001 and Council Regulation (EC) No 1454/2001 of 28 June 2001 introducing specific measures for certain agricultural products for the Canary Islands and repealing Regulation (EEC) No 1601/92 (Poseican) and sums granted to farmers established in those regions under Council Regulation (EC) No 1254/1999 of 17 May 1999 on the common organisation of the market in beef and veal , Council Regulation (EC) No 2529/2001 of 19 December 2001 on the common organisation of the market in sheepmeat and goatmeat , Council Regulation (EC) No 1784/2003 of 29 September 2003 on the common organisation of the market in cereals and sums granted for the supply of rice to the French overseas department of Réunion under Article 5 of Council Regulation (EC) No 1785/2003 of 29 September 2003 on the common organisation of the market in rice. The new system of support for agricultural

(20) Implementation of this Regulation must not jeopardise the level of special support from which the outermost regions have benefited up to now. ***The annual financial limits set for support under the specific supply arrangements should take account of aid for supply and the amounts corresponding to exemptions from duties granted under this scheme over a set period.*** For that reason, so that they can carry out the appropriate measures, the Member States should have at their disposal sums equivalent to the support already granted by the Community under Council Regulation (EC) No 1452/2001 of 28 June 2001 introducing specific measures for certain agricultural products for the French overseas departments, amending Directive 72/462/EEC and repealing Regulations (EEC) No 525/77 and (EEC) No 3763/91 (Poseidom) , Council Regulation (EC) No 1453/2001 and Council Regulation (EC) No 1454/2001 of 28 June 2001 introducing specific measures for certain agricultural products for the Canary Islands and repealing Regulation (EEC) No 1601/92 (Poseican) and sums granted to farmers established in those regions under Council Regulation (EC) No 1254/1999 of 17 May 1999 on the common organisation of the market in beef and veal , Council Regulation (EC) No 2529/2001 of 19 December 2001 on the common organisation of the market in sheepmeat and goatmeat , Council Regulation (EC) No 1784/2003 of 29 September 2003 on the common organisation of the market in cereals and sums granted for the supply of

production in the outermost regions established by this Regulation must be coordinated with the support for the same lines of production in force in the rest of the Community.

rice to the French overseas department of Réunion under Article 5 of Council Regulation (EC) No 1785/2003 of 29 September 2003 on the common organisation of the market in rice . The new system of support for agricultural production in the outermost regions established by this Regulation must be coordinated with the support for the same lines of production in force in the rest of the Community.

Amendment 8
Recital 21 a (new)

(21a) Furthermore, the above repeal of the Regulations currently in force should not cause any interruption in the procedures for granting support under the specific supply arrangements or aid for local products in the outermost regions, and it is necessary to ensure that they can continue to apply until the respective supply and support programmes have been approved.

Amendment 9
Article 1

This Regulation lays down specific measures on agriculture to remedy the difficulties caused by the remoteness, insularity *and* distant location of the regions of the Union referred to in Article 299(2) of the Treaty, hereinafter the 'outermost regions'.

This Regulation lays down specific measures on agriculture to remedy the difficulties caused by the remoteness, insularity, distant location, *small size, difficult topography and climate and economic dependence on a few products* of the regions of the Union referred to in Article 299(2) of the Treaty, hereinafter the 'outermost regions'.

Amendment 10
Article 2, paragraph 1

1. Specific supply arrangements are hereby introduced for *the* agricultural products *listed in Annex I*, which are essential in the outermost regions for human consumption, for the manufacture of other products or as agricultural inputs.

1. Specific supply arrangements are hereby introduced for agricultural products which are essential in the outermost regions for human consumption, for the manufacture of other products or as agricultural inputs, *listed in the supply programmes referred to in Article 5.*

Amendment 11
Article 2, paragraph 2

2. A forecast supply balance shall be drawn up stating the quantity of the agricultural products listed in Annex I needed to meet supply requirements each year. A separate forecast balance may be drawn up for the requirements of undertakings packaging and processing products intended for the local market, for traditional consignment to the rest of the Community or for export as part of regional trade or traditional trade flows. **deleted**

Amendments 12 and 13
Article 4, paragraph 2

2. The restriction provided for in paragraph 1 shall not apply to products processed in the outermost regions from products having benefited from the specific supply arrangements **which are:**

(a) exported to third countries or dispatched to the rest of the Community within the limits of traditional exports and traditional dispatches. Those quantities and the third countries of destination shall be specified by the Commission in accordance with the procedure laid down in Article 26(2), on the basis of the average of exports or dispatches during the years 1989, 1990 and 1991;

(b) exported to third countries as part of regional trade flows in accordance with conditions specified under the procedure referred to in Article 26(2);

(c) dispatched from the Azores to Madeira or vice versa.

No export refund shall be granted for the products thus exported.

2. The restriction provided for in paragraph 1 shall not apply to products processed **or products which have undergone sufficient working or processing** in the outermost regions from products having benefited from the specific supply arrangements.

No export refund shall be granted for the products thus exported.

Amendment 15
Article 5, paragraph 1, point (-a) (new)

(-a) the products covered by the specific

supply arrangements;

Amendment 14
Article 5, paragraph 1, point (a)

(a) the draft forecast supply balance;

(a) the draft forecast supply balance
quantifying annual needs in relation to these products. A separate provisional assessment may be drawn up for the requirements of undertakings storing and processing products intended for the local market, for consignment to the rest of the Community, or for export as part of regional trade or traditional trade flows;

Amendment 16
Article 5, paragraph 2

2. The supply programmes shall be approved in accordance with the procedure referred to in Article 26(2). *The list of products contained in Annex I may be revised in accordance with the same procedure*, in the light of demand developments in the outermost regions.

2. The supply programmes shall be approved in accordance with the procedure referred to in Article 26(2), in the light of demand developments in the outermost regions.

Amendment 17
Article 9, paragraph 2 a (new)

2a. Community support programmes shall promote improvements to the environment, the context in which rural communities live, farming methods and the development of the landscape by encouraging sustainable land management.

Amendment 18
Article 12, point (a)

(a) a quantified description of the current agricultural production situation taking into account the results of available evaluations, showing disparities, gaps and potential for development, the financial resources deployed and the main results of operations

(a) a quantified description of the current agricultural production situation taking into account the results of available evaluations, showing disparities, gaps and potential for development, the financial resources deployed and the main results of operations

undertaken under Council Regulations
(EEC) Nos 3763/91, 1600/92, 1601/92
and (EC) Nos 1452/2001, 1453/2001 and
1454/2001;

undertaken under Council Regulations
(EC) Nos 1452/2001, 1453/2001 and
1454/2001;

Amendment 19
Article 12, point (d)

(d) a schedule for the implementation of
the measures and a general indicative
financing table showing the resources to be
deployed;

(d) a schedule for the implementation of
the measures and a general indicative
financing table showing the resources to be
deployed, ***without prejudice to
reprogramming among the measures
contained in each programme;***

Amendment 20
Article 13, paragraph 3

3. The programmes shall apply from 1
January 2006.

3. The programmes shall apply from 1
January 2006 ***or from a later date.***

Amendment 21
Article 16, paragraph 5 a (new)

***5a. The Commission shall propose the
necessary derogations to the Council to
enable rural development programmes to
be implemented, taking account of the
specific features of the outermost regions.***

Amendment 22
Article 18, paragraph 1

1. France and Portugal shall submit
programmes to the Commission for ***the
control of organisms harmful to plants or
plant products*** in the French overseas
departments and the Azores and Madeira
respectively. The programmes shall specify
in particular the objectives to be achieved,
the measures to be carried out, their duration
and their cost. The programmes submitted
pursuant to this Article shall not concern the
protection of bananas.

1. France and Portugal shall submit ***health
protection*** programmes to the Commission
for ***crops and*** plant products in the French
overseas departments and the Azores and
Madeira respectively. The programmes shall
specify in particular the objectives to be
achieved, the measures to be carried out,
their duration and their cost. The
programmes submitted pursuant to this
Article shall not concern the protection of
bananas.

Amendment 23

Article 19, paragraph 2, subparagraph 1

2. Notwithstanding Article 19(1) of Regulation (EC) No 1493/1999, grapes from prohibited direct-producer hybrid vine varieties (*Noah, Othello, Isabelle, Jacques, Clinton and Herbemont*) harvested in the Azores and Madeira may be used for the production of wine which must remain within those regions.

2. Notwithstanding Article 19(1) of Regulation (EC) No 1493/1999, grapes from prohibited direct-producer hybrid vine varieties harvested in the Azores and Madeira may be used for the production of wine which must remain within those regions.

Amendment 24

Article 19, paragraph 2, subparagraph 2

By **31 December 2006** Portugal shall have gradually eliminated vineyards planted with prohibited direct-producer hybrid vine varieties, with, where appropriate, the support provided for in Chapter III of Title II of Regulation (EC) No 1493/1999.

By **31 December 2013** Portugal shall have gradually eliminated vineyards planted with prohibited direct-producer hybrid vine varieties, with, where appropriate, the support provided for in Chapter III of Title II of Regulation (EC) No 1493/1999.

Amendment 25

Article 20, paragraph 4, subparagraph 2

Detailed rules for the application of this paragraph shall be adopted in accordance with the procedure referred to in Article 26(2). The detailed rules shall determine, in particular, the quantity of locally produced fresh milk to be incorporated into the reconstituted UHT milk referred to in the first subparagraph.

Detailed rules for the application of this paragraph shall be adopted in accordance with the procedure referred to in Article 26(2). The detailed rules shall determine, in particular, the quantity of locally produced fresh milk to be incorporated into the reconstituted UHT milk referred to in the first subparagraph, ***if no outlets can be found for locally produced milk.***

Amendment 26

Article 21, paragraph 3 a (new)

(3a) With a view to improved quality in beef production in the Azores, aid shall be granted for the supply of male breeding stock of beef cattle breeds to this region, under the conditions and up to the maximum amount to be decided in accordance with the procedure referred to in Article 26(2).

Amendment 27
Article 21 a (new)

Article 21 a

Sugar

During the period referred to in Article 10(1) of Council Regulation (EC) No 1260/2001 of 19 June 2001 on the common organisation of the markets in the sugar sector¹, C sugar as referred to in Article 13 of that Regulation, exported in accordance with the relevant provisions of Commission Regulation (EEC) No 2670/81 of 14 September 1981 laying down detailed implementing rules in respect of sugar production in excess of the quota², and introduced for the purposes of consumption in Madeira and the Canary Islands in the form of white sugar falling within CN Code 1701 or into the Azores in the form of raw sugar falling within CN Code 1701 12 10, shall benefit, under the terms of this Regulation, from the scheme of exemption from import duties within the limits of the forecast supply balances referred to in Article 3.

¹OJ L 178, 30.6.2001, p. 1.

² OJ L 262, 16.9.1981, p. 14.

Amendment 28
Article 24, paragraph 1

1. The measures provided for in this Regulation, except for **Article 16**, shall constitute intervention intended to stabilise the agricultural markets within the meaning of Article 2(2) of Council Regulation (EC) No 1258/1999.

1. The measures provided for in this Regulation, except for **Articles 16 and 18**, shall constitute intervention intended to stabilise the agricultural markets within the meaning of Article 2(2) of Council Regulation (EC) No 1258/1999.

Amendment 29
Article 24, paragraph 2

2. The Community shall finance the measures provided for in Titles II and III of this Regulation up to an annual maximum *as follows:*

- *French overseas departments: EUR 84.7 million,*
- *Azores and Madeira: EUR 77.3 million,*
- *Canary Islands: EUR 127.3 million.*

2. The Community shall finance the measures provided for in Titles II and III of this Regulation up to an annual maximum *calculated on the basis of the amounts of expenditure to finance the specific supply arrangements, based on the average for the best three-year period in each region within the period between 2001 and 2004, taking account of the amount of exemption from duties granted in the same period and on the basis of the maximum amounts of spending applicable to support for local agricultural production.*

Amendment 30
Article 24, paragraph 3

3. The amounts allocated annually to the programmes provided for in Title II may not exceed:

French overseas departments: EUR 20.7 million,

Azores and Madeira: EUR 17.7 million,

Canary Islands: EUR 72.7 million.

deleted

Amendment 31
Article 24, paragraph 3 a (new)

3a. Notwithstanding Article 28(2) of Regulation (EC) No 1782/2003, the time-limits set for payments under the arrangements referred to in Annex I of that Regulation may be altered, in which case the new time-limit shall be defined in the programmes to be submitted in the context of the financial resources provided for in paragraph 2 of this Article.

Amendment 32
Article 26, paragraph 1, subparagraph 1 a (new)

In respect of the plant health programmes referred to in Article 18, the Commission shall be assisted by the Standing

Committee on Plant Health established by Council Decision 76/894/EEC of 23 November 1976¹.

¹ *OJ L 340, 9.12.1976, p. 25.*

Amendment 33
Article 28, paragraph 3

3. Not later than ***31 December 2009***, and thereafter every five years, the Commission shall submit a general report to Parliament and the Council showing the impact of the action taken under this Regulation, accompanied if applicable by appropriate proposals.

3. Not later than ***31 December 2008***, and thereafter every five years, the Commission shall submit a general report to Parliament and the Council showing the impact of the action taken under this Regulation, accompanied if applicable by appropriate proposals.

Amendment 34
Article 29, paragraph 2 a (new)

However, measures relating to the specific supply arrangements and measures to assist local products provided for in Regulations (EC) Nos 1452/2001, 1453/2001 and 1454/2001 shall remain in force until the date on which the Commission approves the supply programmes provided for in Article 5 of this Regulation and the starting-date for the application of the support programmes for local agricultural products provided for in Article 9 of this Regulation respectively.

Amendment 35
Article 32, paragraph 2

It shall apply from 1 January 2006. However, Articles 13, 25 and 26 shall apply from the date of its entry into force.

It shall apply from 1 January 2006. However, Articles 8, 13, ***21(3)***, ***24***, 25 and 26 shall apply from the date of its entry into force.