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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL
AND THE EUROPEAN PARLIAMENT

on action taken to simplify the agricultural legislation

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SIMPLIFICATION OF AGRICULTURAL LEGISLATION

Communication from the Commission to the Council and the European Parliament
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Report to the Council concerning measures to simplify the
Agricultural Legislation

The Council in its Resolution of 23 November 1976, concerning the measures to simplify the agricultural legislation (1), noted the work undertaken by the Commission to simplify Community legislation, as set out in the Commission communication to the Council (2), and invited the Commission to continue its efforts in this direction and report back by 31 December 1977.

The progress made in the simplification of the legislation since the date of the previous communication and the proposed future programme for further simplification is shown in the Annex.

The Commission requests the Council to take note of the problems of simplification and to support the action taken.

(1) OJ No C 287, 4.12.1976, p. 1
(2) COM (75) 532 of 27.10.1975.

SIMPLIFICATION OF AGRICULTURAL LEGISLATION

ANNEX

A. Background

Since the inception of the Common Agricultural Policy, the legislation of the community on the subject of agriculture has been confronted by various and frequently changing economic problems. This created the present situation in which, for the agricultural provisions covering an important number of different areas, the existing regulations have sometimes become very complex.

The Community legislators, in response to the requests for simplification have attempted and will continue these attempts in the future, to develop the legislation in two ways. In the first place by the simplification of the rules, mainly with regard to their practical administration and application and secondly by making the regulations more comprehensible and more coherent. In the two years since the first report, some progress towards simplification has been made. However, the legislation for agriculture must react to the changing situation both economic and in general. It must also react to the evolution of market conditions and the development of new products. Lastly, it must take account of the introduction of fraudulent goods and practices. Therefore we have conflicting tendencies one working towards simplification the other following the complexities of the economy, the needs of the market sector and the fight against fraud, thereby producing more complicated legislation. Simplification is, therefore, a necessity and a constant task but one which cannot be executed satisfactorily because of the perpetually changing situation.

Simplification requires an overall view of the economic problems and a knowledge of the weak points of Community legislation. It is above all the latter that must be corrected so that existing inconveniences are removed and are avoided in the future.

In 1974 and 1975 important steps were taken towards simplification. Since then it has been possible to determine and isolate a good number of these weak points and attempts have been made to correct them. In the following paragraphs it will be seen that it has been possible to remove or reduce the effects of some of the difficulties. However, for some of the problems isolated, simplification is not possible, or not possible at this time, because there are sound administrative, community or national reasons for the continuation of a particular control or system. The removal of a

complication in one area can on occasions lead to even more problems in another.

Some of the difficulties experienced are not limited to Community producers or distributors nor can they always be solved by action within the Community. The Commission together with the experts from the Member States, therefore, takes an active part in the work of those international bodies which have harmonisation and simplification of customs procedures as their aims. Simplification, either introduced or proposed, which relate to customs control will often apply equally to non-agricultural goods. Only the simplification as it is applied to agricultural products has been considered for the purposes of this report.

B. Problems common to more than one market sector

1. Consolidation and adapting of the legislation (I(1))*

(a) Council legislation

Since their adoption the basic provisions concerning the organisation of the various markets have been amended a number of times. By reason of their number, their complexity and dispersal in the various editions of the Official Journal, the texts become difficult to use and the provisions thus lack the clarity which should be an essential feature of all legislation. Ideally legislation for each market sector should be consolidated in a single edition of the Official Journal.

Much progress has been made in recent years although it is recognised that because of the dynamic situation in most market sectors it has not been possible to achieve the above aims in full. However, this desire for consolidation must not restrict the legislator in his attempt to follow economic or commercial movements or in his application of modern techniques, particularly where these produce a more efficient use of the manpower available.

The legislation in the following sectors has been consolidated:

Fruit and vegetables**

Sugar**

Cereals

**Consolidation of basic regulations only, adopted before the previous report.
* Reference to paragraph in previous report.

Pigmeat
Eggs and poultrymeat
Rice
Processed fruit and vegetables
Fish
Ovalbumine and lactobumine

The legislation for the following sectors is in the process of being reviewed with the intention of issuing them in a consolidated form:

Milk and milk products
Wine

However, the combination of the dynamic evolution of the market legislation and the limited staff available for consolidation purposes is hardly favourable for a rapid achievement of these objectives.

Over a period of time it is necessary to issue amendments to this consolidated legislation. It is the intention of the Commission that when these amendments become numerous, the progress of consolidation should be repeated and the legislation once again published in a single edition of the Official Journal. To date there has been no codified legislation in need of republishing.

(b) Commission legislation

In some areas, for instance the private stocking of sugar, intervention storage of cereals and document and quality control of wines, the legislation has been clarified and to some extent consolidated. In the consolidation of Commission legislation the pattern is usually one of grouping together a number of earlier regulations following upon some change which required an amendment to the existing regulations. Therefore, the consolidation of the Commission legislation has not proceeded at the same pace as the consolidation of Council legislation. With the limited resources available for this work the Commission have concentrated on the Council legislation and those parts of the Commission legislation which require amendment whether or not it was to be consolidated. A considerable amount of work is still required on this legislation.

2. Harmonisation and Simplification

Where possible the Commission have harmonised procedures. However, excessive harmonisation can lead to unnecessary complications and thus work against the central aim which is simplification. The Council and Commission must therefore, consider not only the advantages of harmonisation but also the

adverse effects on the producers or distributors of a particular product which may outweigh those advantages.

(a) Customs procedures

(i) International agreements

There was a simplification of the Common Customs Tariff which came into use on 1 January 1978 as a result of the acceptance of the Recommendations by the Customs Cooperation Council. Some tariff headings are removed or combined with other headings to reflect more accurately the current patterns of trade. Meanwhile the Commission, in conjunction with the experts from the Member States continues a review of each Chapter of the Nomenclature and are working within the Customs Cooperation Council to produce a harmonised commodity description and coding system for use in international trade.

Similarly the Community is a contracting party to the international convention on the simplification and harmonisation of customs procedures. The main convention and its annex on warehouses was accepted by a decision of the Council, in 1975⁽¹⁾, on behalf of the Community and its Member States, while further annexes on origin, transit and processing were accepted in 1977⁽²⁾.

(ii) Community level

Meanwhile closely associated with the acceptance of the international agreements the Commission continues to implement its general programme for the approximation of customs legislation⁽³⁾. Procedures to have been harmonized or to have been the subject of harmonization proposals include the following: Processing of goods imported or exported temporarily, goods returned from exportation or after importation, Release of goods into free circulation, Repayment and remission of import and export duties, Deferment of payment of import and export duties, Goods imported for testing and Export documentation and procedures.

In parallel with this the Commission has continued to make progress in the implementation of its simplification programme of 1975⁽⁴⁾ and to report separately on this progress.

(iii) General

The simplification brought about or to be achieved by the measures at

(1) OJ No L 100, 21.4.1975, p. 1

(2) OJ No L 166, 4.7.1977, p. 1

(3) Document SEC (71) 682 final, 28.4.1971.

(4) COM(75)67 Final, 25.2.1975.

(i) and (ii) above will have important repercussions on imported goods including agricultural products.

(b) Other procedures

(i) Horizontal Regulations

The Commission has endeavoured to reduce the number of regulations issued. One method used to this end has been the "horizontal regulation". Where possible a single regulation is issued for a particular activity which is common to a number of market sectors. By examining closely the requirements of the various market sectors it has been possible to remove some of the value or quantity limits, time periods or control requirements. In revising these regulations, not only is there a reduction in the number issued but the task of the user, particularly that of the authorities in the Member States, is simplified by the removal of outdated requirements and the more universal application of these horizontal regulations.

Horizontal regulations have been adopted in respect of the following activities common to several market sectors.

Export refunds**

Import and Export licences and Advance fixing certificates**

Export levies and charges

Community Transit***

Communication of import and export data (see also (ii) below)

Importations for certain destinations***

Storage and movement of Intervention products.

A horizontal regulation which will deal with the importation of products classified under a subheading of the tariff by virtue of the production of a certificate of origin and quality is being considered.

(ii) Communication of trade information (I(10) and (11))*

The management of the agricultural market requires that certain data, relating mainly to trade, should be taken into consideration. This information was requested from the Member States under various articles in some ten different regulations and reflected the needs and characteristics of the market^{concerned}. The need for each item of information, the intervals between communications, the acceptable delays before the information is communicated to the Commission and the method to be used for this notification was examined. A new regulation on communication by Member States to the Commission of data relating to imports and exports of certain agricultural products (1) became

(1) Regulation (EEC) No 1188/77, OJ No L 138, 4.6.1977, p. 12

* Reference to paragraphs in previous reports

** Published prior to Communication COM (75)532

*** Also covers non agricultural goods.

applicable on 1 October 1977. This regulation standardises the periods to be used, the last day for submission, the information required and the form in which it is to be supplied.

This will greatly ease the burden of the Member States in connection with the supply of information, of course, the Commission will keep the matter under review so that the information requested is always kept to a minimum and will continue to examine the possibility of data transmission and processing using new methods and procedures.

(iii) Monetary Compensatory Amounts (MCA) (I(12))*

Although it was not possible to simplify the nomenclature for MCAs, see 4(b) below, various changes have taken place which remove some of the problems.

Until November 1975 exporters of products upon which there was an MCA charge were required to pay that charge on products put on board sea going vessels or aircraft on international routes. The removal of this requirement, subject to the quantities exported being reasonable, simplified the task of these operators and that of the customs staff controlling exports.

Other changes allowed the use of alternative evidence of receipt into another Member State and the use of the simplified rail procedure for goods subject to MCAs being removed to another Member State.

(iv) Export Refunds

It is necessary for exporters claiming a premium rate of export refund to prove that the products entered the specified third country. An amendment to the relevant regulation allows the acceptance of alternative evidence of importation where that originally required by the regulation is unobtainable. There was also a liberalisation of the requirements for low value consignments and an extension of the time limits.

3. Presentation of the Legislation (I(a) to (b))*

Regulations that were issued merely to fix reference values such as those for wine have been discontinued and those which refer to the fixing of amounts at regular intervals are only issued when there is an actual change in those amounts. Regulations are now drafted in those cases where ^{the} markets are unstable, in cooperation with the various parties involved in the market

* Reference to paragraphs in previous report

sector and, by attempting to anticipate future changes, the Commission try to limit the number of amendments that will become necessary at a latter date.

The vocabulary used in the legislation is standardised and texts are aligned where this is possible. The various language texts are compared with similar texts on the same subject.

Every effort has been made to allow ample time between publication and the entry into force of the regulation. At least six weeks is allowed for those regulations containing major changes in the provisions intended to be applied by customs authorities. Major tariff changes are limited to twice a year. For most agricultural regulations, where there are no changes to the system but merely an extension or reduction of its scope or a change of rate a lesser period is acceptable and, often, desirable.

4. Nomenclature (I(7) to (9))*

- (a) Common Customs Tariff As stated at 2 above, the nomenclature in the Common Customs Tariff is being simplified to reflect certain changes agreed within the Customs Cooperation Council. At the same time the opportunity was taken to examine the subheading affected by this change and, where possible, these were simplified.

Earlier the nomenclature for certain products in the beef, cereals and sugar sectors had been simplified by the removal of some subheadings for which there was no economic justification. Changes in the wine sector and that of processed fruit and vegetables also allowed a slight modification within certain subheadings. These changes also removed some of the problems with regard to import licences and export certificates in these sectors. There was also a modification of the tariff heading for olive oil.

Meanwhile in certain sectors it has been necessary to introduce changes in the Common Customs Tariff which increases the number of subdivisions. These changes may be caused by the introduction of new products, the need for more exact definitions within the market sectors or the avoidance of trade distortions. Simplification is not necessarily a reduction in the number of lines or subheadings but rather a reflection of the ease with which the average user can establish without doubt the classification of the goods concerned. However, the reduction in the number of different rates of duty and other amounts, where this is possible, allows fewer, wider classification bands to be drawn.

- (b) Other nomenclature

It was anticipated in the Communication COM (75) 532 that during 1977 there would be a reduction in the number of products subject to the system of monetary compensatory amounts and that this in turn would

reduce the difficulties caused by this system with regard to its nomenclature. In fact, due to the monetary evolution this has not been achieved. During 1977 it was necessary to reintroduce some products (products not included in Annex II of the Treaty) which had been deleted in 1974 and 1975.

Difficulties were experienced with the system of accession compensatory amounts, however on 1.1.78 accession of the three new Member States was completed and these problems have disappeared.

(c) Problems within individual sectors

1. Cereals (II A)*

The Council Regulations for this sector were consolidated prior to the previous communication to the Council. Various amendments have been made since publication but republication is not necessary at this time.

Certain Regulations, which establish the export refunds to be granted which were published weekly, can now be published once in four weeks.

The Commission, together with the relevant Management Committee, has examined the problems of the minimum quantities acceptable for intervention, the adjustment of the intervention price to take account of the specific weight of the cereals and price reductions for impurities in cereals. New regulations with the aim of simplifying the operation of taking cereal products into intervention have recently been published(1).

Moreover, a study is well under way which will lead to a redrafting of the provisions governing tenders for food-aid. Simplification will certainly result from this.

2. Wine products (I 7 and 9 and II b)*

The Council Regulations for this market sector are in the process of being consolidated. However, a group of regulations were issued in one publication of the Official Journal (2). Among other provisions, these regulations adjusted the scope of the sector, thereby removing confusion with the fruit

* Reference to paragraphs in previous Communication

(1) 1569/77, OJ No L 174, 14.7.1977, p. 15
1570/77, OJ No L 174, 14.7.1977, p. 18
1629/77, OJ No L 181, 21.7.1977, p. 29

(2) OJ No L 135, 24.5.1976.

and vegetable sector for certain juices; removed the requirement for certain import licences and transferred the publication of the average prices and weighted average prices from the normal regulations to the "C" series of the Official Journal. The frequency with which information regarding importations is required was reduced to once a month or once in two weeks.

Some products were removed from the list of those requiring appellation documentation and an other provision allows the necessary measures to be taken with regard to the methods of analysis. These changes formed part of a consolidation of some of the Commission Regulations in this sector. This consolidation included the Articles dealing with the VA documentation, however, it has not been possible for various technical reasons to combine the T documents and the VA documents as suggested in the previous Communication. Similarly, although the regulation provides for the necessary measure in respect of analysis of wine the Commission still awaits details from some Member States on this question.

The Commission have proposed to the Council a simplification in the administrative procedures in connection with the distillation of products in the wine sector.

3. Fruit and Vegetables (II c)*

The Council Regulations for processed fruit and vegetables have been consolidated while those for the unprocessed fruit and vegetables are of fairly recent origin.

The possible abolition of quality control on consignments moving within Member States has been discussed and the Commission has put forward a proposal to reduce the problem. However, at this time, the proposal has not been voted by the Management Committee for Fruit and Vegetables.

4. Fats (II D)*

After a study by the Management Committee for Oils and Fats it was decided that it was not possible to simplify the provisions governing the organisation of the markets and in particular the procedures whereby oilseeds and olive oil are offered for intervention and resold by the intervention agencies.

5. Products not covered by Annex II (II E)*

Certain modifications have been introduced which reduce the complexities in this sector, particularly those caused by the variable component

* Reference to paragraphs in previous Communication

of the charge. The threshold below which variable components are not charged has been raised to 1 u.a./100 kg. Furthermore, the rates, still published at quarterly intervals are not amended within that period. This has been achieved by changing the date of introduction of the new rates, which now come into effect on the first day of February, May, August and November. This allows the changes for the basic products within the previous three months and in particular the changes at the beginning of the market year to be incorporated into the new rate.

Modification of the Common Customs Tariff has produced some reduction in the number of tariff lines for which rates are to be fixed.

The main problem with regard to the variable components was the need for the rates to be assessed and published for trade between the original six and each of the three new Member States and between the new Member States plus rates between each Member State and third countries. This publication occupied some 100/120 pages of the Official Journal. With the removal of Accession Compensatory Amounts, it is possible to change the presentation of the remaining figures and reduce the size of the regulation by some 90%.

6. Milk and Milk Products

The Council Regulations in this market sector are being examined with a view to their being published in a consolidated form. Meanwhile some simplification has been possible with regard to the regulations issued in connection with import levies. A change of presentation has allowed a reduction in the length of these regulations. Similarly for monetary compensatory amounts a new presentation removes many of the unnecessary lines, makes the regulation easier to read, reflects the products within the sector more accurately and has allowed some administrative simplification.

A new regulation laying down general rules for the supply of skimmed milk powder and butteroil as food aid¹ has been introduced which replaces eight similar regulations. The regulation harmonises the provisions, tendering procedures, control and security arrangements for all these exportations.

7. Meat and Meat Products (I 9)*

In the Beef and Veal sector it has been possible to simplify the nomenclature by abolishing those subheadings which were unnecessary².

1. OJ No L 43, 15.2.1977, p. 1 *Reference to paragraph in previous Communication
2. OJ No L 100, 14.4.1976, p. 1

D. Conclusions and future programme

Since the previous Communication to the Council concerning simplification of the agricultural legislation, the Commission has continued its work on the consolidation of the regulations, produced further "horizontal" regulations and examined and, where appropriate, introduced or proposed many simplifications. The future objectives of the Commission are to maintain the existing consolidated regulations by updating and republishing them as necessary and to extend the principle to the other sectors. The use of "horizontal" regulations will be extended in those areas where this is possible.

There are a number of international approaches being made with regard to simplification including work on the harmonization of procedures, the recommendations for tariff simplification and eventually the harmonization system for commodity description and coding. The Commission will continue to take an active part in these international meetings.

In the recent past the Commission has reviewed in depth the legislation of the various market sectors. Hence in the near future the scope for simplification within these sectors is limited.

Since the previous communication there have been a large number of contacts between the Commission, experts from the authorities in the Member States, consultative groups and other interested parties. Recently some 80 experts from the authorities in the Member States attended a three day seminar at which the problems of documentary proof for the export of agricultural products was discussed. As a result of this meeting and other similar meetings, the Commission is aware of the problems created by the legislation. The points raised will be considered and, if possible, simplified documentation and more flexible provisions will be introduced. Meanwhile, the Commission will maintain these contacts and work towards simpler methods, where this is possible, in the future.

No one would suggest that the present Community legislation for agriculture is simple or that no more work is necessary on simplification. However, considerable progress has been made in removing some of the problems for the authorities and the producers and distributors of agricultural products.