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REPORT

drawn up on behalf of the Committee on Agriculture,
Fisheries and Food

on the proposal from the Commission of the European
Communities to the Council (Doc. C2-21/85 - COM(85)
146 final) for a regulation amending Regulation (EEC)
No. 1603/83 laying down special measures for the disposal
of dried grapes and dried figs held by storage agencies

Rapporteur: Mr K. STAVROU

WG(2)2029E

PE 98.457/fin.



By letter of 25 April 1985, the President of the Council of the European Communities requested the European Parliament to deliver an opinion, pursuant to Article 43 of the EEC Treaty, on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No. 1603/83 laying down special measures for the disposal of dried grapes and dried figs held by storage agencies.

On 6 May 1985, the President of the European Parliament referred this proposal to the Committee on Agriculture, Fisheries and Food, as the committee responsible, and to the Committee on Budgets for an opinion.

At its meeting of 15 May 1985, the Committee on Agriculture, Fisheries and Food appointed Mr K. STAVROU rapporteur.

The committee considered the Commission's proposal and the draft report at its meeting of 18/19 June 1985.

At this meeting, the committee decided unanimously to recommend to Parliament that it approve the Commission's proposal without amendment.

The committee then unanimously adopted the motion for a resolution as a whole.

The following took part in the vote: Mr Tolman, chairman; Mr Stavrou, rapporteur; Mr Abens (deputizing for Mr Sutra de Germa), Mr Borgo, Mrs Castle, Mr Clinton, Mrs Crawley, Mrs Ewing (deputizing for Mr MacSharry), Mr Filinis (deputizing for Mr Adamou), Mr Flanagan (deputizing for Mr Fanton), Mr Fruh, Mr Gaibisso (deputizing for Mr F. Pisoni), Mr Guarraci, Mr Maher, Mr McCartin (deputizing for Mr Mertens), Mr Musso, Mr Roelants du Vivier (deputizing for Mr Christensen) and Mr Romeos.

The opinion of the Committee on Budgets is attached to the report.

The report was tabled on 20 June 1985.

The deadline for tabling amendments to this report will be indicated in the draft agenda for the part-session at which it will be debated.

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The Committee on Agriculture, Fisheries and Food hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No. 1603/83 laying down special measures for the disposal of dried grapes and dried figs held by storage agencies

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council¹,
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. C 2-21/85),
 - having regard to the report of the Committee on Agriculture, Fisheries and Food and the opinion of the Committee on Budgets (Doc. A2-66/85),
 - having regard to the report by Mr Barbagli (Doc. 1-422/83) on a similar proposal with regard to the 1981 harvest and the report by Mr Romeos (Doc. 2-616/84) with regard to the 1982 harvest and the favourable opinions delivered on the subject²,
 - having regard to the result of the vote on the Commission's proposal,
- A. having regard to the very small quantity of the product remaining unsold,
- B. whereas the gradual deterioration in the product makes it increasingly less suitable for human consumption; whereas, moreover, if it were offered for sale at a low price, the balance of the market would be disturbed; whereas, finally, the cost of the operation, which is in any case limited, is partly offset by the elimination of storage costs and interest,
- C. whereas the new regulations governing the products in question did not come into force until the 1984 marketing year and the rules (minimum prices for imports from third countries, production quotas, etc.) are only now beginning to have a stabilizing effect on the market,

¹OJ No. C 106 of 27 April 1985, p. 8

²cf. OJ No. C 184 of 11 July 1983, p. 150 and OJ No. C 300 of 12 November 1984, p. 57

1. Notes with satisfaction that the market has gradually steadied, which means that there are almost no more unsold stocks;
2. Believes that the new regulations which entered into force in the 1984 marketing year will restore complete order to the market;
3. With this in mind adopts the Commission's proposals;
4. Instructs its President to forward to the Commission and the Council, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.

EXPLANATORY STATEMENT

1. For the third consecutive year, the Commission is proposing special measures for the disposal of unsold quantities of dried grapes and dried figs held by storage agencies in Greece. There are 7,000 tonnes of dried grapes and 800 tonnes of dried figs. If they were put on the market for human consumption they could only be sold at prices which would upset the balance of the market; moreover, the steady deterioration in these products makes them less and less suitable for human consumption. For this reason the Commission proposes that they be used, as in previous years, in animal feedingstuffs or for distillation.

2. It should be emphasized that the quantities involved are much smaller than in previous years. In the 1981 marketing year the unsold stocks amounted to approximately 55,000 tonnes of dried grapes and 3,500 tonnes of dried figs. The quantities involved in 1982 were approximately 21,600 tonnes and 3,000 tonnes respectively. The cost to the EEC budget fell from 60 million ECU in 1981 to 29.5 million in 1982 and in 1983 it was less than one million ECU. This means that the problem of surpluses of dried grapes and dried figs has practically been solved and that in the 1984 marketing year the market should be completely restored to order. On the other hand, there is nothing to be gained by delaying measures to eliminate the albeit limited quantities of unsold products. The longer the delay, the more the product deteriorates and there is a risk that in the end it may become completely unusable. Moreover, as long as the product is in storage, the Community must go on paying interest to the storage agencies on the advances paid to the producers.

It therefore seems quite clear that the unsold stocks should be disposed of as soon as possible.

3. The European Parliament voted in favour of previous measures for the marketing years 1981 and 1982 dealt with in the reports by Mr Barbagli (Doc. 1-422/83) and Mr Romeos (Doc. 2-616/84) respectively. The latter stressed that the new rules introduced in basic Regulation 516/77 regarding products processed from fruit and vegetables, would completely stabilize the market as far as dried grapes and dried figs were concerned, in particular by setting guarantee thresholds and a minimum price for imports from third countries.

The new rules came into force at the beginning of the marketing year, i.e. 1 July 1984 in the case of dried figs, and 1 September 1984 in the case of dried grapes. They therefore had no effect on the 1983 marketing year, from which the surpluses mentioned above remained unsold. We should point out that as of the 1984 marketing year, the new provisions of the basic regulation (Article 4, p. 4) specified the possibility of special measures for products which could not be disposed of under normal conditions. This means that a specific Council regulation will no longer be necessary if there are still unsold surpluses.

4. It should be noted that in the talks on the 1985/86 agricultural prices in mid-May, the Council decided to reduce the minimum contractual price paid by the processing industry to producers by 3%, once the guarantee threshold for currants is exceeded.

In accordance with Regulation 989/84¹, the quantity in question is 65,000 tonnes, and the excess is calculated on the basis of the average quantity produced in the preceding three marketing years (1982: 67,500 tonnes, 1983: 71,000 tonnes; 1984: 68,000 tonnes).

This reduction in the minimum price from the next marketing year onwards constitutes a heavy burden for Greek producers who would be severely penalized. This is one more reason for guaranteeing that the market functions perfectly by immediately disposing of surplus stocks.

5. For all the reasons mentioned above, your rapporteur feels that the Commission's proposal must be adopted, especially in view of the fact that it would finally put an end to the old system which came into force in 1981 and which did not make provision for disposing of unsold stocks. The new system, which came into force in 1984, not only makes provision for this automatically, but above all envisages a whole range of measures to obviate the need for such disposal measures, which are always unpopular with the general public and also with the European Parliament. The gradual stabilization of the market is already under way and the new rules are bound to consolidate this process.

¹OJ No. L 103 of 16 April 1984

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the chairman to Mr TOLMAN, chairman of the Committee on
Agriculture, Fisheries and Food

Brussels, 26 June 1985

Mr Teun TOLMAN
Chairman of the Committee on
Agriculture, Fisheries and Food
Centre européen
LUXEMBOURG

Subject: Proposal for a regulation amending Regulation (EEC) No. 1603/83
laying down special measures for the disposal of dried grapes and
dried figs held by storage agencies (COM(85) 146 - C 2-21/85)

Dear Mr Tolman,

At its meeting of 19 June 1985, the Committee on Budgets considered the
above proposal for a regulation.

I wish to inform you that the Committee on Budgets approved the proposal.

Yours sincerely

(sgd) Jean-Pierre COT

Present: Mr COT, chairman; Sir James Scott-Hopkins, vice-chairman;
Mr BARDONG, Mr BATTERSBY (deputizing for Sir Fred CATHERWOOD),
Mr CHRISTODOULOU, Mr CORNELISSEN, Mr CURRY, Mr J. ELLES, Mr FICH, Mr FRUH
(deputizing for Mr LANGES), Mr GATTI (deputizing for Mrs BARBARELLA),
Mr PASTY, Mr PITT, Mr POETSCHKI (deputizing for Mr RYAN), Mr RIGO,
Mr K. SCHON, Mr TOMLINSON and Mr VON DER VRING.

