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S E C O N D R E P O R T

of the Committee on Agriculture, Fisheries and Rural
Development

on the Commission proposals to the Council

IV. for a regulation fixing the target price for milk and the intervention prices for butter, skimmed-milk powder and Grana Padano and Parmigiano Reggiano cheeses for three annual periods from 1 July 1993 to 30 June 1996 (COM(91) 0409 final - C3-0415/91)

V. for a regulation instituting a dairy cow premium scheme (COM(91) 0409 final - C3-0416/91)

Rapporteur: Mr Reinhold BOCKLET

A Series: Reports - B Series: Motions for Resolutions, Oral Questions - C Series: Documents received from other Institutions (e.g. Consultations)

DOC_EN\RR\205566
* = Consultation procedure requiring a single reading

**I = Cooperation procedure (first reading)

**II = Cooperation procedure (second reading) which requires the votes of a majority of the current Members of Parliament for rejection or amendment

*** = Parliamentary assent which requires the votes of a majority of the current Members of Parliament

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C O N T E N T S

	<u>Page</u>
Procedural page	3
A. Amendments to Commission proposal IV	4
DRAFT LEGISLATIVE RESOLUTION	9
A. Amendments to Commission proposal V	10
DRAFT LEGISLATIVE RESOLUTION V	14
Opinion of the Committee on Budgets	15
Opinion of the Committee on External Economic Relations	20
Opinion of the Committee on Budgetary Control	24

At the sitting of 11 March 1992 proposals IV and V of the first report were referred back to the Committee on Agriculture, Fisheries and Rural Development, pursuant to Rule 39(3) of the Rules of Procedure.

At its meeting of 29 October 1991 the Committee on Agriculture, Fisheries and Rural Development had appointed Mr Bocklet rapporteur.

It considered the draft second report at its meeting of 25/26 March 1992.

At this meeting it adopted the draft legislative resolutions as follows:

IV. by 16 votes to 13,

V. by 17 votes to 14.

The following were present for the vote: Vazquez Fouz, vice-chairman and acting chairman; Graefe zu Baringdorf and Lane, vice-chairmen; Bocklet, rapporteur; Bourlanges (for Borgo), Brito (for Ainardi), Carvalho Cardoso, Colino Salamanca, Cunha Oliveira (for Gomes), Dalsass, Dury (for Thareau), Domingo Segarra, Funk, Garcia, Görlach, Happart, Howell (for Simmonds), Keppelhoff-Wiechert, Killilea, Kofoed, Lalor (for Marletx), Lüttge (for Stamoulis), McCartin, Mantovani (for Mottola), Marck, S. Martin, Morris, Navarro, Raffin (for Verbeek), Rothe, Saridakis, Schlechter, Scott-Hopkins (for Lord Plumb), Sierra Bardaji, Sonneveld and Welsh.

The opinions of the Committee on Budgets, the Committee on External Economic Relations and the Committee on Budgetary Control are attached to this report.

The report was tabled on 26 March 1992.

The deadline for tabling amendments is 12 noon on Thursday, 2 April 1992.

A.

IV.

Commission proposal for a Council regulation
fixing the target price for milk and the intervention prices
for butter, skimmed-milk powder and Grana Padano and Parmigiano Reggiano
cheeses for three annual periods from 1 July 1993 to 30 June 1996

Commission proposal¹

Amendments

(Amendment No. 1)
Second recital

Whereas, given the pressing need to improve the balance between supply and demand, it was necessary to extend the additional levy scheme instituted in the milk and milk products sector and reduce the guaranteed total quantities fixed under that scheme; whereas, given the foreseeable reduction in milk production costs following the fall in the prices of cereals and concentrates, the target price for milk should be reduced in order to improve the competitive position of milk products; whereas, therefore, the target price for milk must be reduced in relation to other agricultural products;

Whereas, given the pressing need to improve the balance between supply and demand, it was necessary to extend the additional levy scheme instituted in the milk and milk products sector and reduce the guaranteed total quantities fixed under that scheme; whereas this also makes it possible to keep the target price of milk steady

¹ For full text see COM(91) 0409 final, OJ No. C 337, 31.12.1991, p.43

Commission proposal

Amendments

(Amendment No. 2)

Fourth recital

Whereas the intervention prices for butter and for skimmed-milk powder are intended to contribute to the achievement of the target price for milk; whereas it is necessary to determine their levels in the light of the overall supply and demand situation on the Community milk market and the opportunities for disposal of butter and skimmed-milk powder on the Community and world markets; whereas the competitive position of butter necessitates a larger reduction in the intervention price for butter than in the intervention price for skimmed-milk powder;

Whereas the intervention prices for butter and for skimmed-milk powder are intended to contribute to the achievement of the target price for milk; whereas it is necessary to determine their levels in the light of the overall supply and demand situation on the Community milk market and the opportunities for disposal of butter and skimmed-milk powder on the Community and world markets;

(Amendment No. 3)

Sixth recital a (new)

Whereas the existing guideline for agricultural spending from the EAGGF Guarantee Section should be maintained for the next five-year period; whereas this guideline will take account of the five new Länder;

(Amendment No. 4)

Sixth recital b (new)

Whereas the coresponsibility levy, now without justification, represents a reduction in the actual price received by the producer;

(Amendment No. 5)

Sixth recital c (new)

Whereas the provisions of the present regulation should neither result in additional management costs nor increase the risk of fraud;

Commission proposal

Amendments

(Amendment No. 6)
Sixth recital d (new)

Whereas the Commission and the Member States are jointly responsible for ensuring that this regulation is correctly implemented;

(Amendment No. 7)
Sixth recital e (new)

Whereas the present regulation constitutes a step towards a reform in which agricultural expenditure must be forecast ahead more precisely, be based on mechanisms other than price support and incorporate compensation to farmers, the terms of which should be clearly defined in advance and which must not become an encouragement to increase production;

Commission proposal

Amendments

(Amendment No. 8)
Article 2

The target price for milk and the intervention prices for milk products shall be as follows, without prejudice to subsequent adjustments:

As from 1 April 1992 the target price for milk and the intervention prices for milk products shall be as follows:

1. for the period from 1 July 1993 to 30 June 1994:

(ECU/100 kg)

	Community of Eleven	Portugal
a) Target price for milk	25.74	25.74
b) intervention price		
. butter	275.21	275.21
. skimmed-milk powder	168.98	192.60
. Grana Padano cheese		
- between 30 and 60 days old	364.24	-
- at least 6 months old	454.27	-
. Parmigiano Reggiano cheese at least 6 months old	503.13	-

2. For the period from 1 July 1994 to 30 June 1995

(ECU/100 kg)

	Community of Eleven	Portugal
a) Target price for milk	24.93	24.93
b) intervention price		
. butter	262.04	262.04
. skimmed-milk powder	166.39	178.60
. Grana Padano cheese		
- between 30 and 60 days old	355.92	-
- at least 6 months old	445.48	-
. Parmigiano Reggiano cheese at least 6 months old	494.24	-

3. For the period from 1 July 1995 to 30 June 1996

(ECU/100 kg)

a) Target price for milk	24.13
b) intervention price	
. butter	248.86
. skimmed-milk powder	163.81
. Grana Padano cheese	
- between 30 and 60 days old	347.60
- at least 6 months old	436.69
. Parmigiano Reggiano cheese at least 6 months old	485.55

(ECU/100kg)

	Community of Eleven	Portugal
(a) target price for milk	26.81	26.81
(b) intervention price		
- butter	278.14	278.14
- skimmed-milk powder	181.05	181.05
- Grana Padano cheese		
- between 30 and 60 days old	379.67	-
- at least six months old	470.43	-
- Parmigiano Reggiano cheese at least six months old	519.21	-

Commission proposal

Amendments

(Amendment No. 9)

Article 2a (new)

A threshold price is hereby set at 130% of the target price.

(Amendment No. 10)

Article 2b (new)

The coresponsibility levy shall be abolished in all areas from the date this Regulation enters into force.

(Amendment No. 11)

Article 2c (new)

Before 31 December 1995, the Commission shall present to the Council and the European Parliament a report on the application of the current arrangements,

DRAFT LEGISLATIVE RESOLUTION

IV.

embodying the opinion of the European Parliament on the Commission proposal for a Council regulation fixing the target price for milk and the intervention prices for butter, skimmed-milk powder and Grana Padano and Parmigiano Reggiano cheeses for three annual periods from 1 July 1993 to 30 June 1996

The European Parliament,

- having regard to the Commission proposal (COM(91) 0409 final)²,
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (C3-0415/91),
 - having regard to the first report of the Committee on Agriculture, Fisheries and Rural Development and the opinions of the Committee on Budgets, the Committee on External Economic Relations and the Committee on Budgetary Control (A3-0079/92),
 - having regard to the second report of the Committee on Agriculture, Fisheries and Rural Development and the opinions of the Committee on Budgets, the Committee on External Economic Relations and the Committee on Budgetary Control (A3-0131/92),
1. Approves the Commission proposal subject to Parliament's amendments and in accordance with the vote thereon;
 2. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 3. Calls for the conciliation procedure to be opened if the Council should intend to depart from the text approved by Parliament;
 4. Asks to be consulted again should the Council intend to make substantial modifications to the Commission proposal;
 5. Instructs its President to forward this opinion to the Council and the Commission.

² OJ No. C 337, 31.12.1991, p. 43

A

V

Commission proposal for a Council Regulation
instituting a dairy cow premium scheme

Commission text³

Amendment

(Amendment No. 12)
Article 1(-1) (new)

(-1) The following provisions shall only apply if the target price for milk and the intervention prices for butter, skimmed-milk powder and cheeses of the Grana Padano and Parmigiano Reggiano varieties are produced from 1 April 1992 by more than four per cent in relation to the prices obtaining up to that date;

(Amendment No. 13)
Article 1(1)

1. On application by interested parties and in accordance with the conditions laid down herein, Member States may grant an annual premium per dairy cow for dairy herds kept by producers as defined in Article 7(c) of Council Regulation (EEC) No. .../.. of ... establishing an additional levy in the milk and milk products sector. However, in each case the premium shall be paid for not more than 40 dairy cows.

1. On application by interested parties and in accordance with the conditions laid down herein, Member States may grant an annual premium per dairy cow for dairy herds kept by producers as defined in Article 7(c) of Council Regulation (EEC) No. .../.. of ... establishing an additional levy in the milk and milk products sector. However, in each case the premium shall be paid for not more than 60 dairy cows.

³ For full text see COM(91) 0409 final, OJ No. C 337, 31.12.1991, p. 45

Commission proposal

Amendments

(Amendment No. 14)
Article 2(1), first paragraph

1. The premium shall be granted for the calendar year in question provided that, at all times, the stocking density on the holding, s referred to in Article 7 (d) of Regulation (EEC) No., expressed in Livestock Units (LU) per hectare of forage area (ha), does not exceed the following:

- 1.4 LU/ha for holdings or parts of holdings located in areas as defined in Article 3(3),(4) and (5) of Directive 75/268/EEC⁶, as last amended by Council Regulation (EEC) No. 797/85⁷;

- 2 LU/ha for holdings or parts of holdings located elsewhere.

(Amendment No. 15)
Article 2(1) last paragraph

However, the stocking density requirement shall not apply to producers whose reference quantity is less than 25 000 kilograms at the start of the calendar year in question.

1. The premium shall be granted for the calendar year in question provided that, at all times, the stocking density on the holding, s referred to in Article 7 (d) of Regulation (EEC) No., expressed in Livestock Units (LU) per hectare of forage area (ha), does not exceed 2.5 LU/ha.

However, if the stocking density is exceeded, the farmer shall only receive the premium up to the maximum stocking density permitted.

However, the stocking density requirement shall not apply to producers whose reference quantity is less than 60 000 kilograms at the start of the calendar year in question.

Commission proposal

Amendments

(Amendment No. 16)
Article 2(1a) (new)

1a. At the same time a levy shall be imposed on the over-intensive production for the calendar year in question provided that, at all times, the stocking density on the holding, as referred to in Article 7(d) of Regulation (EEC) No. ... expressed in Livestock Units (LU) per hectare of forage area (ha) exceeds the following:

- 2.4 LU/ha for holdings or parts of holdings located in areas as defined in Article 3(3), (4) and (5) of Directive 75/268/EEC, as last amended by Council Regulation (EEC) No. 797/85;

- 3 LU/ha for holdings or parts of holdings located elsewhere.

The amount of the levy shall be equal to the premium as fixed in Article 3(1).

(Amendment No. 17)
Article 2(3)

The forage area means the total area of the holding as referred to in Article 7(d) of Regulation (EEC) No. .../..., less any buildings, paths, ponds, woods, areas used for permanent crops or horticultural crops, or areas eligible under Regulation (EEC) No. .../... or used for purposes other than cattle or sheep rearing and/or qualifying for national or community aid other than that referred to in point (a) of the third subparagraph of Article 2(3) of Regulation (EEC) No. 2328/91.

The forage area means the total area of the holding as referred to in Article 7(d) of Regulation (EEC) No. .../..., less any buildings, paths, ponds, woods, areas used for permanent crops or horticultural crops, or areas eligible under Regulation (EEC) No. .../... or used for purposes other than cattle or sheep rearing and/or qualifying for national or community aid other than that referred to in point (a) of the third subparagraph of Article 2(3) of Regulation (EEC) No. 2328/91.

Commission proposal

Amendments

(Amendment No. 17 contd.)

In addition, the forage area shall include areas jointly farmed in accordance with rules to be adopted in accordance with the procedure laid down in Article 30 of Regulation (EEC) No. 804/68.

In addition, the forage area shall include areas jointly farmed in accordance with rules to be adopted in accordance with the procedure laid down in Article 30 of Regulation (EEC) No., 804/68. The areas set aside for silage cereals shall not be included in the total forage area of the holding but shall qualify for aid to field crops.

(Amendment No. 18)

Article 3(1)

1. The amount of the premium per dairy cow is:

- ECU 25 for 1993,
- ECU 50 for 1994,
- ECU 75 for the following years.

1. The amount of the premium per dairy cow is ECU 75 for 1993, 1994 and 1995.

DRAFT LEGISLATIVE RESOLUTION

V.

embodying the opinion of the European Parliament on the Commission proposal for a Council regulation instituting a dairy cow premium

The European Parliament,

- having regard to the Commission proposal (COM(91) 0409 final)⁴,
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (C3-0416/91),
 - having regard to the first report of the Committee on Agriculture, Fisheries and Rural Development and the opinions of the Committee on Budgets, the Committee on External Economic Relations and the Committee on Budgetary Control (A3-0079/92),
 - having regard to the second report of the Committee on Agriculture, Fisheries and Rural Development and the opinions of the Committee on Budgets, the Committee on External Economic Relations and the Committee on Budgetary Control (A3-0131/92),
1. Approves the Commission proposal subject to Parliament's amendments and in accordance with the vote thereon;
 2. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 3. Calls for the conciliation procedure to be opened if the Council should intend to depart from the text approved by Parliament;
 4. Asks to be consulted again should the Council intend to make substantial modifications to the Commission proposal;
 5. Instructs its President to forward this opinion to the Council and the Commission.

⁴ OJ No. C 337, 31.12.1991, p. 43

O P I N I O N

(Rule 120 of the Rules of Procedure)

of the Committee on Budgets

for the Committee on Agriculture, Fisheries and Rural Development

Draftsman: Mr Terence WYNN

At its meeting of 5 November 1991 the Committee on Budgets appointed Mr Wynn draftsman.

At its meeting of 29 January 1992 it considered the draft opinion and adopted the conclusions as a whole by 7 votes to 4.

The following were present for the vote: von der Vring, chairman; Cornelissen, second vice-chairman; Wynn, draftsman; Cassidy, Colom I Naval, Goedmakers, Kellett-Bowman (for Elles), Langes, McCartin (for Arias Cañete), Onur (for Tomlinson), Samland and Theato.

1. Following the presentation of the general principles of the CAP reform, the Commission put forward a number of proposals for legal texts to implement the reform on the different Common Market Organizations (CMOs). From a financial point of view every single proposal has a huge impact on the overall level of EAGGF Guarantee (see Annex 2 to PE 155.334). In consequence, any decision taken will have a major impact on the Community budget over the coming years.
2. The European Parliament voted in December 1991 a general position on CAP reform. The position of Parliament incorporated many of the proposals made by the Committee on Budgets (see comparative table in Annex 1 to PE 155.334). Your draftsman considers that the Committee on Budgets should take into account, in its response to the specific legislative proposals linked to CAP reform, some of the principles adopted by Parliament.
3. On budgetary aspects, Parliament gave a medium-term objective to be pursued. These principles can be resumed as follows:
 - (a) the guideline should be laid down in such a way as to remain the budgetary point of reference for agricultural spending so that its growth is below that of the budget as a whole;
 - (b) agricultural expenditure must be forecast ahead more precisely;
 - (c) in the long term, support for the agricultural sector must be based increasingly on mechanisms other than price support, which would be compatible with the commitments which will probably be entered into within GATT;
 - (d) the Community budget will also have to support the preservation of the environment, the economic development of rural regions and the social consequences of reform;
 - (e) agricultural support arising from this will have to be compatible with other ends pursued by the community, for example economic and social cohesion;
4. In the short term, Parliament recognized the imperative to maintain a stable revenue to farmers through a 'compensation', which farmers would receive in return for gradual dismantling of price protection. This compensation should meet the three following criteria:
 - (a) the terms of the compensation should be clearly defined in advance: the imperative of a stable source of revenue makes it necessary that the aids should not be discussed every year;
 - (b) this compensation must not become an encouragement to increase production;
 - (c) those who benefit from this compensation will have to be only farmers:

5. Furthermore, concerning classification of expenditure, Parliament reinstated its position, that it wishes to get rid - in the next Interinstitutional Agreement - of the compulsory nature of agriculture expenditure, so as to make such expenditure subject to Parliament's budgetary powers;
6. Under these circumstances, it seems necessary, in order to ensure coherence between the vote of the European Parliament and the vote on the legislative proposal, to concentrate these principles in a legislative amendment, to read as follows:

'Whereas the present regulation constitutes a step towards a reform in which agricultural expenditure must be forecast ahead more precisely, be based on mechanisms other than price support and incorporate compensation to farmers, the terms of which should be clearly defined in advance and which must not become an encouragement to increase production; whereas the Commission will present new proposals matching these principles within three years.'

7. Your draftsman stressed the fact that after the Maastricht European Council the new Treaty recognizes budgetary discipline as a basic principle of the future Europe. In fact Article 201a imposes on the Commission the obligation to abstain from introducing, and a-fortiori the Council from adopting, measures with notable financial impact 'unless it is sure that the proposal... is capable of being financed within the limit of the Community's own resources'. The proposed amendment respects the spirit of Article 201a of the new Treaty on Political Union. The figures in Annex 2 to PE 155.334 show that there is a real possibility of budgetary discipline as it stands not being respected later in this decade;
8. The Committee on Budgets must take note of the areas where the plenary was more reluctant to back its view (the text underlined in the comparative document in Annex 1 to PE 155.334). In particular, the Parliament as a whole did not agree:
 - to have a complete break in the link between compensation and production;
 - to end the dependence of spending on variable elements;
 - to limit the compensation to a fixed period with a graduated and degressive scale as provided for under the bonds scheme.

On these points the committee on Budgets should consider how to pursue its strategy in the future;

9. In view of the above and in accordance with the vote taken by Parliament on 13 December 1991, the Committee on Budgets calls on the Committee on Agriculture to adopt the amendments relating to each proposal.

AMENDMENTS

to

a proposal for a Council regulation fixing the target price for milk and the intervention prices for butter, skimmed-milk powder and Grana Padano and Parmigiano Reggiano cheeses for three annual periods from 1 July 1993 to 30 June 1996
(COM(91) 409 - C3-0415/91)

Commission text

Amendment

(Amendment No. 1)
Seventh recital (new)

Whereas the present regulation constitutes a step towards a reform in which agricultural expenditure must be forecast ahead more precisely, be based on mechanisms other than price support and incorporate compensation to farmers, the terms of which should be clearly defined in advance and which must not become an encouragement to increase production; whereas the Commission will present new proposals matching these principles within three years;

(Amendment No. 2)
Article 2a (new)

Before 31 December 1995, the Commission shall present to the Council and the European Parliament a report on the application of the current arrangements, together with the necessary proposals to ensure that the cost of the compensation paid to farmers is known in advance and does not constitute an encouragement to production.

AMENDMENTS

to

a proposal for a Council regulation instituting
a dairy cow premium scheme
(COM(91) 409 - C3-0416/91)

Commission text

Amendment

(Amendment No. 1)
Eighth recital (new)

Whereas the present regulation constitutes a step towards a reform in which agricultural expenditure must be forecast ahead more precisely, be based on mechanisms other than price support and incorporate compensation to farmers, the terms of which should be clearly defined in advance and which must not become an encouragement to increase production; whereas the Commission will present new proposals matching these principles within three years;

(Amendment No. 2)
Article 5a (new)

Before 31 December 1995, the Commission shall present to the Council and the European Parliament a report on the application of the current arrangements, together with the necessary proposals to ensure that the cost of the compensation paid to farmers is known in advance and does not constitute an encouragement to production.

O P I N I O N
(Rule 120 of the Rules of Procedure)

of the Committee on External Economic Relations
for the Committee on Agriculture, Fisheries and Rural Development
Draftsman: Mr Tom SPENCER

At its meeting of 22 January 1992 the Committee on External Economic Relations appointed Mr Tom Spencer draftsman.

At its meetings of 30 January and 28 February 1992 it considered the draft opinion.

At the latter meeting it adopted the conclusions as a whole by 11 votes to two votes.

The following were present for the vote: De Clercq, chairman; Cano Pinto, vice-chairman; Stavrou, vice-chairman; Spencer, rapporteur; Hindley, Isquierdo Rojo (for Miranda de Lage), Janssen van Raay (for Peijs), Lemmer, Marck (for Chabert), Mihr, Moorhouse, Ortiz Climent (for Suarez Gonzales), Price and Visser (for Junker).

1. The Commission presented, after two reflection papers known as Mac Sharry I and Mac Sharry II, its legal proposals for an in depth reform of the Common Agricultural Policy (CAP) in October and November 1991. They concern the sectors of arable crops, of meat production, of milk and dairy production and of forestry as well as accompanying measures. The proposals have been submitted to the European Parliament for consultation according to Art. 43 of the Treaty. The Committee on External Economic Relations has been asked to give its opinion to the Committee on Agriculture as the committee responsible.
2. The REX Committee has already given its opinion on the Mac Sharry I and Mac Sharry II papers. Its conclusions have been adopted in committee by unanimity and largely carried in plenary in the context of the vote on the Bocklet report in December last year. These conclusions are therefore one of the two main points of reference for your rapporteur in order to draft amendments to the legal texts of the Commission.
3. The second point of reference, unfortunately, is still missing, namely a multilateral agreement on trade in agriculture negotiated in the Uruguay Round of GATT. Late December last year GATT Director General, Arthur Dunkel presented a global document for an overall compromise on nearly all subjects under negotiation in the Uruguay Round. The compromise proposals on agriculture contain the commitments of the Contracting Parties to reduce internal support measures by 20%, direct export subsidies by 36% of budget outlays and 24% of quantities exported as well as the transformation of measures restricting the market access into tariff rates (tariffication). They lay down criteria for those internal support measures not to be included in the reduction commitment as for instance production neutrality ("decouplage").
4. The EC has generally welcomed these proposals and accepted them as a basis for final negotiations to be concluded by April 1992. As concerns trade in agriculture the Commission and the Council are asking for a number of changes of the Dunkel proposals. The main objections of the EC against the Dunkel compromise proposals are, that only direct export subsidies shall be subject to reduction commitments, which would mean that the deficiency payments of the United States would be excluded, that the commitment to reduce export subsidies shall be made not only in budgetary, but also in quantitative terms and that no reference has been made to the request of the EC for a rebalancing. On the other hand, the EC accepted the concept of tariffication and the principle of decoupling direct income support measures from production. These two aspects have therefore been taken into account by your rapporteur when drafting amendments to the Commission proposals.
5. The amendment to the proposal for a direct income support system for producers of cereals to compensate for income losses due to the reduction of the EC intervention prices intends to strictly separate the compensatory payments from the level of actual production of arable crops. The Commission proposal foresees that these payments should be based on the area actually under production of arable crops up to a base area which has been down to production during a base period of 1989, 1990 or 1991. Your rapporteur proposes instead to pay the compensation for the whole base area with a depressive element for large size holdings.

6. In addition, the compensatory payments should according to the conclusions of the opinion of the REX committee be limited in time and degressive. Therefore it is proposed to limit these payments for a period of 15 years. The amount of the compensatory payment, which will be according to the proposal of the Commission 55 ECUS per tonne for the marketing year 1995/96, shall be reduced from 1996/97 for 11 years by 5 ECUS annually in order to be phased out at the end of the 15 year period.
7. As concerns the trade regime for cereals your rapporteur has presented only one global amendment indicating that the regulation may have to be revised in order to be made consistent with GATT rules on trade in agriculture as agreed upon during the Uruguay Round. This amendment refers mainly to the proposal for the regulation on the common organization of the market in cereals. Art. 10 to 18 of this draft regulation do not take into account any commitment to reduce export subsidies or to transform the variable import levies into tariff rates. Similar amendment have been proposed for the other Commission proposals concerning the meat sector and the sector of milk and dairy products.

CONCLUSIONS

The Committee on External Economic Relations asks the Committee on Agriculture, Fisheries and Rural Development to take into consideration the following amendments to the Commission legal proposals on the reform of the CAP:

Proposal for a
Council Regulation No /91
of
fixing the target price for milk and the intervention prices
for butter, skimmed-milk powder and Grana Padano and
Parmigiano Reggiano cheeses for three annual periods
from 1 July 1993 to 30 June 1996
(Com(91) 0409 final - C3-0412-0416/91)

Text of the Commission

Amendment

(Amendment no)
After Recital 6 new Recital 6a

Whereas this Regulation may have to be revised in order to be made consistent with GATT rules on trade in agriculture negotiated in the Uruguay Round, especially as concerns the engagement to reduce domestic support measures.

Proposal for a
Council Regulation No /
of
instituting a dairy cow premium scheme
(Com(91) 0409 final - C3-0412-0416/91)

Text of the Commission

Amendment

(Amendment no)
After Recital 7 new Recital 7a

Whereas this Regulation may have to be revised in order to be made consistent with GATT rules on trade in agriculture negotiated in the Uruguay Round, especially as concerns the engagement to reduce domestic support measures and the decoupling of direct income support measures from production.

O P I N I O N

(Rule 120 of the Rules of Procedure)

of the Committee on Budgetary Control
for the Committee on Agriculture,
Fisheries and Rural Development
Draftsman: Mr Terence WYNN

At its meeting of 16/17 December 1991, the Committee on Budgetary Control appointed Mr Terence Wynn draftsman.

At its meeting of 29 and 30 January 1992 it considered the draft opinion and unanimously adopted the conclusions as a whole.

The following took part in the vote: Lamassoure, chairman; Blak, first vice-chairman; Holzfuss, second vice-chairman; Napolitano, third vice-chairman; Wynn, draftsman; Funk (replacing Lo Giudice), Goedmakers, Kellett-Bowman, McMahon (for Colom i Naval), Marck, Nielsen, Theato and Tomlinson.

The Committee on Budgetary Control calls on the Committee on Agriculture, Fisheries and Rural Development, as the committee responsible, to incorporate the amendment(s) below as appropriate in each of the draft regulations:

Amendment N° 1

Insert before the last article of each regulation the following text:

"Parliament shall be informed in advance of laying down detailed rules in connection with the implementation of this present regulation."

Amendment N° 2

Insert before the last article of each regulation the following text:

"Parliament shall receive from the Commission annually, beginning one year after the entry into force of this regulation, progress reports."

Amendment N° 3

Insert before the last recital of each regulation the following text:

"Whereas the provisions of the present regulation should neither result in additional management costs nor increase the risk of fraud."

Amendment N° 4

Insert before the last recital of each regulation the following text:

"Whereas the Commission and the Member States are jointly responsible for ensuring that this regulation is correctly implemented."

