



European Communities

EUROPEAN PARLIAMENT

# SESSION DOCUMENTS

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A3-0133/92



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

of the Committee on Agriculture, Fisheries and Rural Development

I. on the Commission proposal for a Council regulation establishing a support system for producers of certain arable crops  
(COM(91) 0379 final - C3-0421/91)

II. on the Commission proposal for a Council regulation on the common organization of the market in cereals  
(COM(91) 0379 final - C3-0422/91)

III. on the Commission proposal for a Council regulation amending Regulation (EEC) No. 2727/75 on the common organization of the market in cereals  
(COM(91) 0379 final - C3-0453/91)

Rapporteur: Mr Reinhold BOCKLET

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PE 155.052/fin. 2  
Or. DE

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



= Consultation procedure requiring a single reading



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



= Cooperation procedure (first reading)



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

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At the sitting of 11 March 1992 the first report was 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.

At its meeting of 25 and 26 March 1992 it considered the draft second report.

At that meeting it adopted the draft legislative resolutions

I. by 19 votes to 12;

II. by 18 votes to 15;

III. by 20 votes to 10.

The following were present for the vote: Vazquez Fouz, acting chairman; Graefe zu Baringdorf and Lane, vice-chairmen; Bocklet, rapporteur; Bourlanges (for Borgo), Brito (for Ainarði), 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 Marleix), Lüttge (for Stamoulis), McCartin, Mantovani (for Mottola), Marck, S. Martin, Morris, Navarro, Raffin (for Verbeek), Rothe, Saridakis, Schlechter, Scott-Hopkins (for 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.

The report was tabled on 27 March 1992.

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

A

I.

Commission proposal for a Council regulation  
establishing a support system for producers of certain arable crops

Commission text<sup>1</sup>

Amendments

(Amendment No. 1)

Before the first recital, new recital a

Whereas Parliament should be consulted again if a position adopted by the Council is markedly different from that adopted by Parliament;

(Amendment No. 2)

First recital a (new)

Whereas there is a need to launch a common agricultural policy which distributes support more evenly, so as to prevent excessive profits and income from being generated, by virtue of position, for the exclusive benefit of certain types of farm and favoured geographical areas;

(Amendment No. 3)

First recital b (new)

Whereas the redistribution of support means that it should be differentiated according to the production costs borne by farms;

(Amendment No. 4)

First recital c (new)

Whereas the level of production costs depends mainly on either the quantities produced overall by farms or on the combination of environmental conditions in which farms operate;

<sup>1</sup> For full text see COM(91) 0379 final, OJ No. C 303, 22.11.1991, p. 1.

Commission text

Amendments

(Amendment No. 5)  
First recital d (new)

Whereas even in less-favoured geographical areas adequate rural population levels should be maintained;

(Amendment No. 6)  
First recital e (new)

Whereas the differentiation of levels of support may lead to the adoption of extensive production methods which will invalidate the compulsory adoption of set-aside;

(Amendment No. 7)  
Second recital

Whereas, in order to ensure better market balances, a new support system, common to all producers of arable crops harvested within the Community, has to be established; whereas the best way to achieve this objective is to approximate the Community prices to the prices of the world market and to compensate the loss of income caused by the reduction of the institutional prices by a compensatory payment for producers who sow and intend to harvest such products;

Whereas, in order to ensure better market balances, a new support system, common to all producers of arable crops harvested within the Community, has to be established; whereas one way of achieving this objective is to reduce Community prices and to compensate the loss of income caused by the reduction of the institutional prices by a full and lasting compensatory payment for producers who sow and intend to harvest such products;

Commission text

Amendments

(Amendment No. 8)  
Fourth recital

Whereas the compensatory payments should be introduced for existing holdings and the participation on the aid scheme should be voluntary;

Whereas the compensatory payments should be introduced for existing holdings and, on a limited basis, for holdings covered by national plans for the entry of young farmers into agriculture and the conversion of holdings; whereas the participation in the aid scheme should be voluntary;

(Amendment No. 9)  
Fifth recital

Whereas such compensatory payments should reflect the specific structural characteristics that influence yield and that the drawing up of a regionalization plan based on objective criteria should be left to the Member States; whereas a uniform average cereals yield should be established by the regionalization plans; whereas these plans must be consistent with the average yields of each region achieved in a given period; whereas a specific procedure should be provided in order to examine these plans on the Community level;

Whereas such compensatory payments should reflect the specific structural characteristics that influence yield and that the drawing up of a regionalization plan based on objective criteria and directly involving the competent regional and local authorities should be left to the Member States; whereas a uniform average cereals yield should be established by the regionalization plans; whereas these plans must be consistent with the average yields of each region achieved in a given period; whereas a specific procedure, in the context of the cooperation procedure as defined in Article 4 of Regulation (EEC) No. 2052/88, should be provided in order to examine these plans on the Community level;

Commission text

Amendments

(Amendment No. 10)  
Seventh recital

Whereas the present policy concerning durum wheat is to discourage production especially outside the traditional production zones and that this policy should be continued; whereas however a supplement to the cereals compensatory payment should be paid for producers of durum wheat in the traditional production zones as currently defined; whereas this supplement should compensate durum wheat producers in these regions for the income loss due to alignment on the price for other cereals; whereas the supplement should be subject to the same conditions as the basic compensatory payment;

Whereas the present policy concerning durum wheat is to discourage production and this policy should be continued; whereas however a supplement to the cereals compensatory payment should be paid for producers of durum wheat; whereas this supplement should compensate durum wheat producers for the income loss due to alignment on the price for other cereals; whereas the supplement should be subject to the same conditions as the basic compensatory payment;

(Amendment No. 11)  
Ninth recital

Whereas the aid for protein crops should be fixed initially at the level of the definitive cereals aid and regionalized on the same basis; whereas the same level of aid will apply to all protein crops other than dried fodder, where the aid provided for in Regulation (EEC) No. 1117/78, as last amended by Regulation (EEC) No...., should be withdrawn;

Whereas the aid for protein crops should be fixed initially at the level of the definitive cereals aid and regionalized on the same basis; whereas the same level of aid will apply to all protein crops;

(Amendment No. 12)  
Twelfth recital a (new)

Whereas the development of biofuels from crops grown in the Community must be encouraged in order to foster Community self-sufficiency in energy, preserve the environment and boost the rural economy; whereas, therefore, the use of set-aside land for energy crops of this kind should be encouraged;

Commission text

Amendments

(Amendment No. 13)  
Twelfth recital b (new)

Whereas set-aside can have a negative impact on the environment in certain areas; whereas producers should therefore be offered the possibility of extensification as an alternative to set-aside;

(Amendment No. 14)  
Thirteenth recital

Whereas the set-aside requirement should be fixed initially at 15% of the land of the holding which has been under arable cultivation; whereas this percentage should be re-examined to take account of production and market developments;

Whereas the set-aside requirement should be fixed initially at between 10% and 20% of the land of the holding which has been under arable cultivation; whereas this percentage should constantly be re-examined to take account of production and market developments;

(Amendment No. 15)  
Fourteenth recital

Whereas the set-aside obligation should be subject to a due compensation; whereas in the case of holdings of a limited dimension the compensation should be equivalent to the definitive compensatory aid per hectare for cereals calculated at the regional level; whereas professional holdings of a greater dimension should be able to adapt to the new situation without full compensation for the set-aside effort required; whereas the compensation for such holdings could therefore be limited to an area equivalent to production of up to 34.5 tonnes of cereals, thus introducing a degressive element;

Whereas the set-aside obligation should be subject to a due compensation; whereas in the case of holdings of a limited dimension the compensation should be equivalent to twice the definitive compensatory aid per hectare for cereals calculated at the regional level; whereas professional holdings of a greater dimension should be able to adapt to the new situation without full compensation for the set-aside effort required; whereas the compensation for such holdings could therefore be limited to an area equivalent to production of up to 34.5 tonnes of cereals, thus introducing a degressive element;



Commission text

Amendments

(Amendment No. 16)  
Fourteenth recital a (new)

Whereas set-aside and  
extensification programmes lead  
directly to savings on market  
organization expenditure by reducing  
production; whereas set-aside and  
extensification premiums within the  
framework of this scheme should  
therefore be funded in full by the  
Community budget;

(Amendment No. 17)  
Fifteenth recital a (new)

Whereas, for ecological reasons, EC-  
wide measures to reduce the use of  
inorganic nitrogen and plant  
protectives should be taken;

(Amendment No. 18)  
Sixteenth recital

Whereas compensatory payments should  
be paid once a year for a given  
area; whereas areas previously not  
cultivated should not be eligible  
for aid, with the exception of an  
area that has been set aside in  
previous years under the existing  
voluntary set-aside arrangements;  
whereas no aid should be granted for  
a second crop following or preceding  
the main one;

Whereas compensatory payments should  
be paid once a year for a given  
area; whereas areas not cultivated  
prior to the harvest following  
publication of this Regulation  
should not be eligible for aid, with  
the exception of an area that has  
been set aside in previous years  
under the existing voluntary set-  
aside arrangements and areas  
acquired as part of a reallocation  
arrangement in exchange for areas  
eligible for aid or areas covered by  
the national plans for young farmers  
entering agriculture or the  
conversion of holdings, up to a  
maximum of 5% of the national areas  
sown; whereas no aid should be  
granted for a second crop following  
or preceding the main one;

Commission text

Amendments

(Amendment No. 19)  
Nineteenth recital a (new)

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

(Amendment No. 20)  
Nineteenth recital b (new)

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

(Amendment No. 21)  
Twentieth recital a (new)

Whereas the existing guideline for agricultural spending from the EAGGF Guarantee Section should be maintained for the next five-year period, taking into account the five new Länder;

(Amendment No. 22)  
Twentieth recital b (new)

Whereas the present Regulation constitutes a step towards a reform in which agricultural expenditure must be forecast 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 incentive to increase production;

Commission text

Amendments

(Amendment No. 23)

Twenty-first recital a (new)

Whereas an agricultural insurance scheme should be set up at Community level as an integral part of the reform to help resolve the most serious problems that farmers may have to contend with, especially in times of hardship or when bad weather or natural disaster strikes;

(Amendment No. 24)

Article 1(2), second indent

- 'arable crops' are taken to mean those listed in Annex I, unless grown for silage.

- 'arable crops' are taken to mean those listed in Annex I, even if grown for silage; in the latter case, however, the relevant areas shall not be taken into account when calculating the stocking rates on which aids for stockrearing depend;

- 'independent agricultural worker' is taken to mean any person working principally on a self-employed basis on a holding, whether an individual farmer, his spouse, or a farmer working for a group in which he holds a significant part of the capital, whatever the legal form of this group.

Commission text

Amendments

(Amendment No. 25)  
Article 2(2), second paragraph

The compensatory payment is granted for the area which is down to arable crops, and which does not exceed a base area. A base area for each holding is established as the number of hectares which were down to arable crops, or which were fallowed in conformity with a publicly funded scheme, during 1989, 1990, or 1991. The farmer chooses which year shall be used.

The compensatory payment is granted for the area which is down to arable crops, and which does not exceed a base area. A base area for each holding is established as the number of hectares which were down to arable crops between 1989 and the harvest following publication of this Regulation, or which were fallowed in conformity with a publicly funded scheme, during 1989, 1990 or 1991, acquired during the same years as part of a reallocation and exchanged for areas giving entitlement to a compensatory payment, or affected by a national plan to set up young farmers in business or convert holdings, or which had been planted with vines and were subject to grubbing-up in the 1991 farming year in the context of Community programmes without restrictions for alternative crops. The farmer chooses which year shall be used.

(Amendment No. 26)  
Article 3(1)

1. Each Member State shall establish a regionalization plan setting out the criteria for the establishment of separate production regions. The criteria used must be appropriate, objective and provide the necessary flexibility for the recognition of distinctive homogeneous zones of a minimum size and allow for specific characteristics that influence yields such as soil fertility.

1. Each Member State shall establish a regionalization plan setting out the criteria for the establishment of separate production regions. The criteria used must be appropriate, objective and provide the necessary flexibility for the recognition of distinctive homogeneous zones of a minimum size and allow for specific characteristics that influence yields such as soil fertility. For this purpose the establishment of regionalization plans must directly involve the competent regional and local authorities;

Commission text

Amendments

(Amendment No. 27)  
Article 3(2)

2. For each production region, the Member State shall give details of the areas and yield of cereals, oil seeds, and protein crops produced in that region during the five year period 1986/87 to 1990/91. An average cereals yield shall be calculated for each region by excluding the year with the highest and the year with the lowest yield during that period.

2. For each production region, the Member State shall give details of the areas and yield of cereals, oil seeds, and protein crops produced in that region during the five year period preceding the publication of this Regulation. An average cereals yield shall be calculated for each region by excluding the year with the highest and the year with the lowest yield during that period. The regionalized yield may not, in any circumstances, be less than 60% of the average Community yield.

(Amendment No. 28)  
Article 3(3)

3. Member States shall submit their regionalization plan to the Commission by 1 August 1992 together with all available supporting information. In order to fulfil this obligation they may refer to their regionalization plan submitted to the Commission in accordance with Regulation (EEC) No. ....

3. Member States shall submit their regionalization plan to the Commission by 1 July 1992 together with all available supporting information. In order to fulfil this obligation they may refer to their regionalization plan submitted to the Commission in accordance with Regulation (EEC) No. ....

(Amendment No. 29)  
Article 3(5a) (new)

Member States who so wish may be considered as a single region within the meaning of this Regulation.

Commission text

Amendments

(Amendment No. 30)  
Article 4(2)

2. The basic amount per tonne is fixed at:

- 30 ECUS for the 1993/94 marketing year,
- 45 ECUS for the 1994/95 marketing year, and
- 55 ECUS from the 1995/96 marketing year onwards.

2. The basic amount per tonne is fixed at 35 ECUS for the marketing years 1993-94 to 1995-96.

(Amendment No. 31)  
Article 4(3)

3. A supplement to the compensatory payment shall be granted for the area down to durum wheat in the traditional production zones listed in Annex II, within the limit of the number of hectares which were down to durum wheat and eligible for durum wheat aid during 1988/89, 1989/90, or 1990/91. The farmer chooses which marketing year shall be used.

The supplement is fixed at 300 ECUS per hectare from the marketing year 1993/94 on.

3. A supplement to the compensatory payment shall be granted for the area down to durum wheat, within the limit of the number of hectares which were down to durum wheat and eligible for durum wheat aid during 1988/89, 1989/90, or 1990/91. The farmer chooses which marketing year shall be used. In Spain and Portugal, the area down to durum wheat in 1992 may also be used as the basis for assessment.

(Amendment No. 32)  
Article 4(4)

4. If the 1991 cereals crop is found to have exceeded the Maximum Guaranteed Quantity, the amounts set out in paragraph 2 will each be reduced by 5 Ecu, and in paragraph 3 by 3 Ecu.

Deleted

(Amendment No. 33)  
Article 5(1)(b)

(b) A Community Reference Amount for oilseeds is set at 384 Ecu/hectare. This figure will be reduced to 359 Ecu per hectare if the 1991 cereals crop is found to exceed the Maximum Guaranteed Quantity.

(b) A Community Reference Amount for oilseeds is set at 384 Ecu/hectare.

Commission text

Amendments

(Amendment No. 34)

Article 5(1)(c)

(c) For each region determined in the regionalization plan, a Projected Regional Reference Amount shall be established which reflects the relation between the cereals yield for that region and the average cereals yield for the Community (4.6 tonnes/hectare).

(c) For each region determined in the regionalization plan, a Projected Regional Reference Amount shall be established. It shall be determined, at the request of the Member State, either by reference to the relation between the cereals yield in the region and the average cereals yield for the Community or the relation between the oilseeds yield in the region and the average oilseeds yield for the Community. The result for the Member State must not exceed that which would be obtained using cereals yields or oilseeds yields alone.

(Amendment No. 35)

Article 5(2)

2. Until the end of the 1994/95 marketing year, a standard bonus for sunflower seed cultivation will be payable in Spain and Portugal. This bonus, which is in addition to the compensatory payment, will be calculated by the Commission annually for Spain and Portugal to reflect the differential foreseen in current legislation.

2. Until the end of the 1999/2000 marketing year, a standard bonus for sunflower seed cultivation will be payable in Spain and Portugal. This bonus, which is in addition to the compensatory payment, will be calculated by the Commission annually for Spain and Portugal to reflect the differential foreseen in current legislation.

(Amendment No. 36)

Article 6

The compensatory payment per hectare for protein crops is fixed at the same level as the compensatory payment for cereals taking into account the same basic amount per tonne of 55 Ecus. If the 1991 cereals harvest is found to have exceeded the Maximum Guaranteed Quantity, the basic amount will be 50 Ecus per tonne.

The compensatory payment per hectare for protein crops is fixed at the same level as the compensatory payment for cereals.

Commission text

Amendments

(Amendment No. 37)  
Article 7(1)

1. The set-aside requirement for producers applying for compensatory payments under the general scheme is fixed as a percentage reduction of their base area. The set-aside requirement to apply with effect from the sowings for the 1993/94 marketing year onwards shall be 15%.

1. The set-aside requirement for producers under the general scheme is fixed at a percentage of 10% to 20% of their base area.

The land set aside shall be subject to rotation.

(Amendment No. 38)  
Article 7(1a)(new)

1a. Producers applying for a compensatory payment under the general scheme may introduce an extensive method of cultivation on all or part of their productive land as an alternative to set-aside. The reduction in the farm's yield shall result in at least the same reduction in quantity as the implementation of set-aside.

The extensification premium shall be granted by analogy with the set-aside premium. It shall result in the same compensation per farm as the implementation of set-aside.

(Throughout the regulation, the term 'set-aside' is to be replaced by the expression 'set-aside or extensification'.)



Commission text

Amendments

(Amendment No. 39)

Article 7(2)

2. The land set aside shall be subject to rotation. In the case of a farm where there are areas set aside in compliance with Article 2 of Regulation (EEC) No. 2328/91, these areas cannot be used to fulfil the set-aside requirement given in paragraph 1.

2. The land set aside shall be subject to rotation except where the farmer adopts an afforestation programme involving a permanent withdrawal from agricultural production. In the case of a farm where there are areas set aside in compliance with Article 2 of Regulation (EEC) No. 2328/91, these areas cannot be used to fulfil the set-aside requirement given in paragraph 1.

(Amendment No. 40)

Article 7(4)

4. The land set aside may be used for the provision of materials for the manufacture within the Community of products not primarily intended for human or animal consumption, provided that effective control systems are applied.

4. The land set aside may be used for the provision of materials for the manufacture within the Community of products not primarily intended for human or animal consumption, except for 'expendable' crops intended for wild animals, provided that effective control systems are applied.

**Commission text**

**Amendments**

(Amendment No. 41)  
Article 7(4a) (new)

4a. Land set aside may be used to grow crops intended for the manufacture in the Community of biofuels.

In view of their strategic importance, the Community will give special support to measures to develop production of these crops.

(Amendment No. 42)  
Article 7(5)

5. The compensation for the obligation to set aside land is fixed at the level of the compensatory payment which would be paid from the marketing year 1995/96 for the same areas if cultivated with cereals. This compensation will be paid for each hectare set aside, up to the number of hectares which would be needed to produce 34.5 tonnes of cereals at the average cereals yield which has been determined for the region concerned.

5. The compensation for the obligation to set aside land is fixed at twice the level of the compensatory payment which would be paid from the 1995/96 marketing year for the same areas if cultivated with cereals. This compensation will be paid for each hectare set aside, but, after the first 10 ha set aside, the savings on fixed costs should be taken into account by means of a degressive element in the set-aside premium.

(Amendment No. 43)  
Article 7(5a)(new)

5a. Compensation for set-aside shall be fully financed from the EAGGF.

Commission text

Amendments

(Amendment No. 44)  
Article 9

Applications for the compensatory payment and for the compensation for the set-aside obligation may only be made in respect of plots of land which had already been cultivated during any one of the three years chosen for establishing the base area, or which had been withdrawn from arable production in conformity with a publicly funded scheme at that time.

Applications for the compensatory payment and for the compensation for the set-aside obligation may only be made in respect of plots of land which had already been cultivated during any one of the three years chosen for establishing the base area, or which had been withdrawn from arable production in conformity with a publicly funded scheme at that time, or, which had been received by the farmer as part of a reparcelling exchange involving areas providing entitlement to support for arable crops, or which are covered by a national plan for setting up young farmers or for farm conversion.

(Amendment No. 45)  
Article 11(6)

6. Payment shall be made by the Member State to each eligible producer within a period of 90 days after publication of the amounts (advance and final payments) in the Official Journal.

6. Payment shall be made by the Member State to each eligible producer within a period of 60 days after publication of the amounts (advance and final payments) in the Official Journal.

(Amendment No. 46)  
Article 12(1), introductory sentence

Detailed rules for the application of this title shall be adopted in accordance with the procedure laid down in Article 38 of Regulation 136/66/EEC, and Article 24 of Regulation (EEC) No. ... respectively, and in particular:

Detailed rules for the application of this title shall be adopted, by 1 October 1992, in accordance with the procedure laid down in Article 38 of Regulation 136/66/EEC, and Article 24 of Regulation (EEC) No. ... respectively, and in particular:

Commission text

Amendments

(Amendment No. 47)  
Article 12, ninth indent a (new)

- those relating to providing farmers and rural workers with accurate information about the opportunities offered by the scheme.

(Amendment No. 48)  
Article 15(1)

The amounts of the compensatory payments and the compensation for the set-aside obligation, as well as the percentage of base area to be set aside fixed in this Regulation may be changed in the light of developments in production, productivity and the markets, according to the procedure laid down in Article 43(2) of the Treaty.

The amounts of the compensatory payments and the compensation for the set-aside obligation may be increased in the light of the Community's annual net balance of trade in arable crops; in the light of the same criterion, the percentage of the base area to be set aside may be reduced. Any such changes shall comply with the procedure laid down in Article 43(2) of the Treaty.

(Amendment No. 49)  
Article 15(2)

2. From the 1994/95 marketing year onwards the Council may decide, according to the procedure laid down in Article 43, paragraph 2, of the Treaty, that the arrangements for making the compensatory payments for oilseeds shall also apply to the case of protein crops.

2. From the 1994/95 marketing year onwards the Council shall decide, according to the procedure laid down in Article 43, paragraph 2, of the Treaty, that the arrangements for making the compensatory payments for oilseeds shall also apply to the case of protein crops.

(Amendment No. 50)  
Article 17

1. Title I of Regulation (EEC) No. 1117/78 is abolished with effect from 1995 onwards.

Deleted

2. Regulation (EEC) No. .../91 is abolished.

Commission text

Amendments

(Amendment No. 51)  
Article 17a (new)

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

(Amendment No. 52)  
Article 17b (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.

(Amendment No. 53)  
Annex I, Category III, Protein Crops

Peas  
Field beans  
Sweet lupins

Peas  
Field beans  
Sweet lupins  
Chick-peas (Cicer arietinum)

(Amendment No. 54)  
Annex II  
Traditional production zones for durum wheat

ITALY  
  
Regions  
  
Abruzzi  
Basilicata  
Calabria  
Campania  
Latium  
Marches  
Molise  
Apulia  
Sardinia  
Sicily  
Tuscany

ITALY  
  
Regions  
  
Abruzzi  
Basilicata  
Calabria  
Campania  
Latium  
Marches  
Molise  
Apulia  
Sardinia  
Sicily  
Tuscany

Areas of Emilia Romagna which are disadvantaged within the meaning of Directive 75/268/EEC.

Commission text

Amendments

(Amendment No. 55)

Annex II

Traditional production zones for durum wheat

SPAIN

Comunidades autonomas

Andalucia

Navarra

Provinces

Badajoz

Burgos

Salamanca

Toledo

Zamora

Zaragoza

SPAIN

Comunidades autonomas

Andalucia

Navarra

Provinces

Badajoz

Burgos

Salamanca

Toledo

Zamora

Zaragoza

Huesca

Ciudad Real

Palencia

Teruel

## DRAFT LEGISLATIVE RESOLUTION

### I.

embodying the opinion of the European Parliament  
on the Commission proposal for a Council regulation  
establishing a support system for producers of  
certain arable crops

#### The European Parliament,

- having regard to the Commission proposal (COM(91) 0379 final)<sup>2</sup>,
  - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (C3-0421/91),
  - having regard to the 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 (A3-0087/92),
  - 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 (A3-0133/92),
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 Commission.

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<sup>2</sup> OJ No. C 303, 22.11.1991, p. 1

A

II.

Commission proposal for a Council regulation  
on the common organization of the market in cereals

Commission text<sup>3</sup>

Amendments

(Amendment No. 56)

Before first recital, new recital a

Whereas the cereals sector includes  
widely varying species and varieties  
which provide the basis for a wide  
variety of jobs and the raw  
materials for downstream  
agricultural processing and agri-  
foodstuffs industries;

(Amendment No. 57)

Before first recital, new recital b

Whereas the prices of cereals on the  
world market are differentiated  
according to quality;

<sup>3</sup> For full text see COM(91) 0379 final, OJ No. C 303, 22.11.1991, p. 10



Commission text

Amendments

(Amendment No. 58)  
Before first recital, new recital c

Whereas Parliament should be consulted again if a position adopted by the Council is markedly different from that adopted by Parliament;

(Amendment No. 59)  
First recital

Whereas the prices and guarantees represented by the machinery introduced by Council Regulation (EEC) No. 2727/75 of 29 October 1975 on the common organization of the market in cereals, as last amended by Regulation (EEC) No. ..., encourage the growth of cereal production at a rate which is no longer in line with the absorption capacity of the market; whereas, in order to avoid a succession of increasingly serious crises, the current policy should be radically reformed; whereas that implies that the support provided by the market organization should be reorientated in such a way that it no longer depends solely on guaranteed prices;

Whereas the prices and guarantees represented by the machinery introduced by Council Regulation (EEC) No. 2727/75 of 29 October 1975 on the common organization of the market in cereals, as last amended by Regulation (EEC) No. ..., encourage the growth of cereal production at a rate which is no longer in line with the absorption capacity of the market; whereas much of this growth is a result of the indiscriminate mechanism of guaranteed maximum quantities which encourages producers to increase their production to compensate for the loss of earnings associated with exceeding quotas; whereas, in order to avoid a succession of increasingly serious crises, the current policy should be radically reformed; whereas that implies that the support provided by the market organization should be reorientated in such a way that it no longer depends solely on guaranteed prices;

Commission text

Amendments

(Amendment No. 60)

Second recital

Whereas the new orientation of the common agricultural policy must lead to better market equilibrium and to a better competitive position for Community agriculture; whereas that objective can be achieved by lowering the target price to a level representing an anticipated rate on a stabilized world market; whereas, so as not to encourage producers to opt for one particular crop, the target price should be the same for the major cereals;

Whereas the new orientation of the common agricultural policy must lead to better market equilibrium and to a better competitive position for Community agriculture; whereas that objective can in part be achieved by a moderate and broad reduction in the target price; whereas, so as not to encourage producers to opt for one particular crop, the target price should be the same for the major cereals;

(Amendment No. 61)

Third recital

Whereas the loss of income resulting from the drop in prices is offset by direct aid per hectare introduced by Regulation (EEC) No. .../92;

Whereas the loss of income resulting from the drop in prices should be fully offset on a long-term basis by direct aid per hectare introduced by Regulation (EEC) No. .../92;

(Amendment No. 62)

Fourth recital

Whereas the structure of guaranteed prices must permit disposal of surpluses within the Community; whereas an intervention price should therefore be fixed at a lower level and a threshold price at a higher level than the target price;

Whereas the structure of guaranteed prices must permit disposal of surpluses within the Community; whereas an intervention price should therefore be fixed at a lower level and a threshold price at a markedly higher level than the target price;

Commission text

Amendments

(Amendment No. 63)  
Fifth recital a (new)

Whereas, however, the prices and co-responsibility levies for cereals for the 1992/93 marketing year should not leave producers in a worse position in terms of income for this period than that which can be expected in subsequent years as a result of the price and income compensation decisions of the European Parliament;

(Amendment No. 64)  
Ninth recital

Whereas, having regard to the imbalance which persists between production and consumption of cereals and the accumulation of intervention stocks, the basic co-responsibility levy scheme should also be renewed temporarily;

Deleted

(Amendment No. 65)  
Ninth recital a (new)

Whereas with the introduction of the new system the general co-responsibility levy scheme will become superfluous and will therefore be abolished;

(Amendment No. 66)  
Twenty-first recital a (new)

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

Commission text

Amendments

(Amendment No. 67)  
Twenty-first recital b (new)

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

(Amendment No. 68)  
Twenty-second recital a (new)

Whereas the existing guideline for agricultural spending from the EAGGF Guarantee Section should be maintained for the next five-year period, taking into account the five new Länder;

(Amendment No. 69)  
Twenty-second recital b (new)

Whereas the present Regulation constitutes a step towards a reform in which agricultural expenditure must be forecast 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 incentive to increase production;

(Amendment No. 70)  
Article 3(1), first indent

- ECU 125 per tonne for the 1993/94 marketing year,

- ECU 110 per tonne for the 1994/95 marketing year, and

- ECU 100 per tonne for the 1995/96 marketing year on.

- ECU 125 per tonne for the 1993/94 to 1995/96 marketing years.

For durum wheat, the target price for a marketing year is 1.4 times the target price of other cereals.

Commission text

Amendments

(Amendment No. 71)  
Article 3(1), second subparagraph

A threshold price for all cereals is fixed at 110% of the target price.

A threshold price for all cereals is fixed at 130% of the target price.

(Amendment No. 72)  
Article 4(1)

1. The intervention agencies designated by the Member States shall buy in common wheat, durum wheat, rye, barley, maize and sorghum which are offered to them and have been harvested in the Community, provided that the offers comply with conditions laid down, in particular in respect of quality and quantity.

1. The intervention agencies designated by the Member States shall buy in common wheat, durum wheat, rye, barley, oats, maize and sorghum which are offered to them and have been harvested in the Community, provided that the offers comply with conditions laid down, in particular in respect of quality and quantity.

(Amendment No. 73)  
Article 7

1. A basic co-responsibility levy shall be payable by producers in respect of the cereals referred to in Article 1 point a), with the exception of the codes NC 0709 90 and 0712 90, and point b) which are produced in the Community and placed on the market or sold to an intervention agency. These arrangements shall apply for the 1993/94 and 1994/95 marketing years.

The basic co-responsibility levy shall cease to be raised with effect from the 1993/94 marketing year.

The amount of the basic co-responsibility levy shall be 3% of the target price in the 1993/94 marketing year and 2% in the 1994/95 marketing year.

(Amendment No. 73) (continued)

2. The basic levy referred to in paragraph 1 will not be payable where:

- the cereals are placed on the market by a small producer as defined by Regulation (EEC) No. 729/89, in a Member State where Regulation (EEC) No. 1346/90 is not applied,
- the cereals are placed on the market by a producer as referred to in Article 2(7) of Regulation (EEC) No. 2328/91,
- the cereals are certified seed within the meaning of Directive 66/402/EEC.

The detailed rules for applying this paragraph will be adopted in accordance with the procedure laid down in Article 24.

3. The levy provided for in this Article shall be regarded as forming part of the intervention measures designed to stabilize agricultural markets and shall be allocated to the financing of expenditure in the cereals sector.

4. For the purposes of applying this Article, for cereals other than maize and grain sorghum, produced in Italy, Greece, Spain and Portugal, 'marketing year' shall mean the period from 1 June to 31 May.

5. Detailed rules for the application of this Article, in particular the definition of placing on the market and the conditions for exempting cereal seeds, shall be adopted in accordance with the procedure laid down in Article 24.

Commission text

Amendments

(Amendment No. 74)  
Article 9(1)

1. A minimum price for potatoes destined for the manufacture of potato starch is fixed at:  
- 200 Ecu for the 1993/94 marketing year  
- 176 Ecu for the 1994/95 marketing year  
- 160 Ecu for the 1995/96 marketing year

These prices apply to the quantity of potatoes, delivered to the factory, which are needed for making one tonne of starch.

1. A minimum price for potatoes destined for the manufacture of potato starch is fixed at:  
- ECU 208 for the marketing years 1993/94 to 1995/96.

This price applies to the quantity of potatoes, delivered to the factory, which are needed for making one tonne of starch.

(Amendment No. 75)  
Article 9(2)

2. A system of compensatory payments is established for producers of potatoes destined for the manufacture of potato starch. The amount of the payment applies to the quantity of potatoes needed for making one tonne of starch. It is set at:  
- 48 Ecu for the 1993/94 marketing year  
- 72 Ecu for the 1994/95 marketing year  
- 88 Ecu for the 1995/96 marketing year.

However, if the 1991 cereals harvest is found to have exceeded the Maximum Guaranteed Quantity these payments shall each be reduced by 8 Ecu per tonne of starch.

2. A system of compensatory payments is established for producers of potatoes destined for the manufacture of potato starch. The amount of the payment applies to the quantity of potatoes needed for making one tonne of starch. It is set at:  
- 50 Ecu for the marketing years 1993/94 to 1995/96.

(Amendment No. 76)  
Article 27a (new)

Parliament shall be informed in advance when detailed rules are laid down in connection with the implementation of the present Regulation.

**Commission text**

**Amendments**

(Amendment No. 77)

Article 27b (new)

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

(Amendment No. 78)

Article 27c (new)

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



## DRAFT LEGISLATIVE RESOLUTION

### II.

embodying the opinion of the European Parliament  
on the Commission proposal for a Council regulation  
on the common organization of the market in cereals.

#### The European Parliament,

- having regard to the Commission proposal (COM(91) 0379 final)<sup>4</sup>,
  - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (C3-0422/91),
  - having regard to the 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 (A3-0087/92),
  - 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 (A3-0133/92),
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 Commission.

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<sup>4</sup> OJ No. C 303, 22.11.1991, p. 10

A

III.

Commission proposal for a Council regulation  
amending Regulation (EEC) No. 2727/75 on the common organization  
of the market in cereals

Commission text<sup>5</sup>

Amendments

(Amendment No. 79)

Before the first recital, new recital a

Whereas Parliament should be consulted again if a position adopted by the Council is markedly different from that adopted by Parliament;

(Amendment No. 80)

Second recital

Whereas the trend in Community production of cereals and internal consumption thereof shows a growing imbalance and, thus, an accumulation of intervention stocks; whereas in such a situation and pending the implementation of a general reform of the machinery of the common organization of the market in cereals, the restrictive price policy operated in the sector should be continued; whereas the application of the basic co-responsibility levy and the system of a maximum guaranteed quantity constitutes the main element of that policy; whereas the said schemes should be renewed for the marketing years preceding the full implementation of the general reform of the agricultural policy in the cereals sector;

Whereas the trend in Community production of cereals and internal consumption thereof shows a growing imbalance and, thus, an accumulation of intervention stocks; whereas this situation highlights the failure of the restrictive price policy and its mechanisms, i.e. the basic co-responsibility levy and guaranteed maximum quantity schemes which have resulted in a growth in production to offset the fall in producers' incomes; whereas these schemes must be dropped for the 1993-94 marketing year; whereas the introduction of the new system will dispense with the need for collection of the co-responsibility levy and application of the Maximum Guaranteed Quantity;

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<sup>5</sup> For full text see COM(91) 0379 final, OJ No. C 303, 22.11.1991, p. 28.

Commission text

Amendments

(Amendment No. 81)  
Second recital a (new)

Whereas, however, the prices and co-responsibility levies for cereals for the 1992/93 marketing year should not leave producers in a worse position in terms of income for this period than that which can be expected in subsequent years as a result of the price and income compensation decisions of the European Parliament;

(Amendment No. 82)  
Second recital b (new)

Whereas the present Regulation constitutes a step towards a reform in which agricultural expenditure must be forecast 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 incentive to increase production;

(Amendment No. 83)  
Article 1

Regulation (EEC) No. 2727/75 is hereby amended as follows:

1. In Article 4(1) 'for the 1988/89 to 1991/92 marketing years' is replaced by 'for the marketing years 1991/92 and 1992/93'.

2. In the last sentence of Article 4b(1), 'for the 1988/89, 1989/90, 1990/91 and 1991/92 marketing years' is replaced by 'for the marketing years 1991/92 and 1992/93'.

As from the marketing year 1993/94, collection of both the basic and the additional co-responsibility levy and application of the Maximum Guaranteed Quantity pursuant to Regulation (EEC) No. 2727/75 shall be discontinued.

(Amendment No. 84)  
Article 1a (new)

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

## DRAFT LEGISLATIVE RESOLUTION

### III.

embodying the opinion of the European Parliament  
on the Commission proposal for a Council regulation  
amending Regulation (EEC) No. 2727/75 on the common organization  
of the market in cereals

#### The European Parliament,

- having regard to the Commission proposal (COM(91) 0379 final)<sup>6</sup>,
  - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (C3-0453/91),
  - having regard to the 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 (A3-0087/92),
  - 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 (A3-0133/92),
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 Commission.

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<sup>6</sup> OJ No. C 303, 22.11.1991, p. 28

**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 establishing  
a support system for producers of certain arable crops  
(COM(91) 379 - C3-0421/91)

**Commission text**

**Amendments**

(Amendment No. 1)  
Twenty-first recital a (new)

Whereas the present Regulation constitutes a step towards a reform in which agricultural expenditure must be forecast 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 incentive to increase production; whereas the Commission will submit new proposals matching these principles within three years;

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

Before 31 December 1995, the Commission shall submit 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 incentive to production.



**AMENDMENTS**

to

a proposal for a Council regulation on the common  
organization of the market in cereals  
(COM(91) 379 - C3-0422/91)

**Commission text**

**Amendments**

(Amendment No. 1)

Twenty-second recital a (new)

Whereas the present Regulation constitutes a step towards a reform in which agricultural expenditure must be forecast 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 incentive to increase production; whereas the Commission will submit new proposals matching these principles within three years;

(Amendment No. 2)

Article 27a (new)

Before 31 December 1995, the Commission shall submit 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 incentive to production.

AMENDMENTS

to

a proposal for a Council regulation amending  
Regulation (EEC) No. 2727/75 on the common  
organization of the market in cereals  
(COM(91) 379 - C3-0453/91)

Commission text

Amendments

(Amendment No. 1)  
Second recital a (new)

Whereas the present Regulation constitutes a step towards a reform in which agricultural expenditure must be forecast 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 incentive to increase production; whereas the Commission will submit new proposals matching these principles within three years;

(Amendment No. 2)  
Article 1(3) (new)

3. The following article is added after Article 29:

Before 31 December 1995, the Commission shall submit 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 incentive 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 2.

The following were present for the vote: De Clercq, chairman; Cano Pinto and Stavrou, vice-chairmen; Spencer, draftsman; Hindley, Izquierdo 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 MacSharry I and MacSharry 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, meat production, milk and dairy production and forestry, as well as accompanying measures. The proposals have been submitted to the European Parliament for consultation pursuant 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 MacSharry I and MacSharry II papers. Its conclusions have been unanimously adopted in committee and carried by a large majority in plenary during 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 when drafting 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. In late December last year, the 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 market access into tariff rates (tarification). They lay down criteria for those internal support measures not to be included in the reduction commitment, 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 to the Dunkel proposals. The EC's main objections to the Dunkel compromise proposals are that only direct export subsidies will 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 will be made not only in budgetary, but also in quantitative terms, and that no reference has been made to the EC's request for a rebalancing. On the other hand, the EC accepted the concept of tarification 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 in EC intervention prices intends strictly to separate the compensatory payments from the level of actual production of arable crops. The Commission proposal envisages 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 degressive element for large holdings.

6. In addition, according to the conclusions of the opinion of the REX Committee, the compensatory payments should be limited in time and degressive. Therefore it is proposed to limit these payments over a period of 15 years. The amount of the compensatory payment, which will be, according to the Commission proposal, 55 ECUS per tonne for the marketing year 1995/96, will be reduced from 1996/97 for 11 years by 5 ECUS annually prior to being phased out at the end of the 15-year period.
7. As regards the trade regime for cereals, your rapporteur has tabled 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 during the Uruguay Round. This amendment refers mainly to the proposal for a 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 amendments have been proposed for the other Commission proposals concerning the meat sector and the milk and dairy products sector.

#### 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:

Draft Council Regulation No. /91 establishing  
a support system for producers of certain arable crops  
(COM(91) 0379 final I - C3-0421/91)

#### Commission text

#### Amendments

(Amendment No. )  
Second recital

Whereas, in order to ensure better market balances, a new support system, common to all producers of arable crops harvested within the Community, has to be established; whereas the best way to achieve this objective is to approximate the Community prices to the prices of the world markets and to compensate the loss of income caused by the reduction of the institutional prices by a compensatory payment for producers who sow and intend to harvest such products;

Whereas, in order to ensure better market balances, a new support system, common to all producers of arable crops harvested within the Community during a base period, has to be established; whereas the best way to achieve this objective is to approximate the Community prices to the prices of the world markets and to compensate, during a period of 15 years, the loss of income caused by the reduction of the institutional prices by a compensatory payment for producers who have sown such products;

Commission text

Amendments

(Amendment No. )  
Twenty-first recital a (new)

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;

(Amendment No. )  
Article 2(2), second subparagraph

The compensatory payment is granted for the area which is down to arable crops, and which does not exceed a base area. A base area for each holding is established as the number of hectares which were down to arable crops, or which were fallowed in conformity with a publicly funded scheme, during 1989, 1990 or 1991. The farmer chooses which year shall be used.

The compensatory payment is granted for a base area. A base area for each holding is established as the number of hectares which were down to arable crops, or which were fallowed in conformity with a publicly funded scheme, during the base year of 1989, 1990 or 1991. The farmer chooses which year shall be used as base year.

(Amendment No. )  
Article 2(3), second subparagraph

Producers applying for the compensatory payment under the general scheme shall be subject to an obligation to set aside part of the land of their holding from production and shall receive a compensation for this obligation.

Producers applying for the compensatory payment under the general scheme shall be subject to an obligation to set aside part of the base area of their holdings from production.

(Amendment No. )  
Article 2(3a) (new)

3a. The compensatory payment shall be paid for a period of 15 years. It shall be reduced from the marketing year 1997/98 by equal annual amounts.

(Amendment No. )  
Article 4(2a) (new)

2a. From the marketing year 1997/98 the basic amount shall be reduced annually by 5 ECUS.

Commission text

Amendments

(Amendment No. )  
Article 7(5)

5. The compensation for the obligation to set aside land is fixed at the level of the compensatory payment which would be paid from the marketing year 1995/96 for the same area if cultivated with cereals. This compensation will be paid for each hectare set aside, up to the number of hectares needed to produce 34.5 tonnes of cereals at the average cereals yield which has been determined for the region concerned.

5. The compensatory payment for the percentage of the base area to be set aside will be paid for each hectare set aside, up to the number of hectares needed to produce 34.5 tonnes of cereals at the average cereals yield which has been determined for the region concerned.

(Amendment No. )  
Article 8(3)

3. Under the simplified scheme :  
- no set-aside requirement is imposed;  
- the compensatory payment shall be paid at the rate applicable for cereals for all areas sown to arable crops.

3. Under the simplified scheme :  
-no set-aside requirement is imposed;  
-the compensatory payment shall be paid at a rate applicable for cereals for all areas sown to arable crops during the base year.

(Amendment No. )  
Article 10(2)

2. In order to qualify for the compensatory payment a producer must, at the latest by the 15 May preceding the relevant harvest :  
- have sown the seed;  
- have lodged an application.

2. In order to qualify for the compensatory payment a producer must, at the latest by the 15 May of each marketing year, have lodged an application.

Commission text

Amendments

(Amendment No. )  
Article 15(1)

The amount of the compensatory payment and the compensation for the set aside obligation, as well as the percentage of base area to be set aside fixed in this regulation may be changed in the light of developments in production, productivity, and the markets, according to the procedure laid down in Article 43 of the Treaty.

The amount of the compensatory payment and the compensation for the set aside obligation, as well as the percentage of base area to be set aside fixed in this regulation may be changed in the light of developments in productivity, and the markets, according to the procedure laid down in Article 43 of the Treaty.

Council Regulation No.

of

on the common organization of the market in cereals

Text of the Commission

Amendments

(Amendment No. )  
Twenty-third recital a (new)

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 commitment to substantially reduce export subsidies and to improve market access by transforming into bound tariff rates the variable import levies (tarification);



**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 No. 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 No. 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 No. 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 No. 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'