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# **SESSION DOCUMENTS**

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**OPINION**

of the Committee on Agriculture, Fisheries and Rural Development

for the Committee on Economic and Monetary Affairs and Industrial Policy

on the Nineteenth Report of the Commission of the European Communities on Competition Policy

Opinion in letter form

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PE 144.495/fin./Ann.

*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



OPINION

of the Committee on Agriculture, Fisheries and Rural Development

Letter from the Chairman of the committee to Mr Bouke BEUMER, chairman of the Committee on Economic and Monetary Affairs and Industrial Policy

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Brussels, 20 November 1990

Subject: XIXth report from the Commission to the Council on competition policy

Dear Mr Beumer,

At its meeting of 10-11 January 1991<sup>1</sup> the Committee on Agriculture, Fisheries and Rural Development considered the above subject and adopted the following conclusions.

In contrast to other sectors of the economy, agriculture is subject to a different system of competition rules:

- the common market organizations, which function as intervention systems precluding any national intervention by Member States;
- Community structural policy;
- the policy of modernizing processing and marketing structures;
- national activities aimed at the improvement of product quality, technical progress and protection of the environment.

However, the Community's agricultural policy has tightened up production control mechanisms such as quotas, stabilizers, refunds, levies etc., giving rise to a degree of protectionism on the part of Member States which the Commission considers to be contrary to the rules on competition.

For example, the Commission considered state aid aimed at reducing production costs or product prices to be an infringement of the rules on competition, as were a total of 14 cases of aid funded via state revenue delivered partly from taxes for specific uses, although in a further 113 cases there were no grounds for objection.

The majority (74%) of the state aid projects approved by the Commission last year covered environmental protection, improvements in quality and research and investment in the marketing and processing sector.

In its opinion of last year (PE 134.177/fin.), the Committee on Agriculture, Fisheries and Rural Development already drew attention to the fact that the lack of an environmental protection policy was likely to be a costly burden on

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<sup>1</sup> The following took part in the vote: Colino Salamanca, chairman; Borgo, vice-chairman; Carvalho Cardoso, Domingo Segarra, Funk, Lane, McCartin, Maher (for Vohrer); Navarro; Nicholson (for M. Daisass); Ortiz Climent; Partsch (for M. Falqui); F. Pisoni (for N. Pisoni); Santos Lopez; Saridakis; Sonneveld and Verbeek.

Community farmers, and it asked the Commission to take this factor into account.

In conclusion, the agriculture sector has managed well with the rules on competition and the Commission has shown flexibility in dealing with the projects submitted to it. The Committee on Agriculture accordingly recommends the adoption of a favourable opinion on the XIXth report on competition policy.

Yours sincerely,

(sgd) COLINO SALAMANCA