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Report

drawn up on behalf of the Committee on Agriculture

on the organization of the market in sheepmeat

Part A: Motion for a resolution

Rapporteur: Mr L. EYRAUD

PE 85.762/fin. *A*

At its sitting of 11 April 1983 the European Parliament referred the motion for a resolution (Doc. 1-80/83) tabled by Mr DAVERN and others pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture as the committee responsible and to the Committee on Budgets and the Committee on External Economic Relations for opinions.

At its meeting of 20 April 1983 the committee decided to draw up a report and appointed Mr EYRAUD rapporteur.

It considered the draft report at its meetings of 18 October 1983 and 20 March 1984 and adopted the motion for a resolution at the latter meeting by 19 votes to 3 with one abstention.

The following took part in the vote : Mr Curry, chairman; Mr Delatte, vice-chairman; Mr Eyraud, rapporteur; Mr Barbagli (deputizing for Mr Diana), Mr Blaney, Mr Bocklet, Mrs Castle, Mr Dalsass, Mr Gatto, Mr Gautier, Mrs Herklotz, Mr Hord, Mr Keating (deputizing for Mr Lynge), Mr Lücker (deputizing for Mr Früh), Mr McMartin (deputizing for Mr Clinton), Mr Maffre-Baugé, Mr Martin (deputizing for Mr Papapietro), Mr Mertens, Mr Pery (deputizing for Mr Vernimmen), Ms Quin, Mr Sutra, Mr Thareau and Mr Vitale.

The Committee on Budgets and the Committee on External Economic Relations decided not to deliver opinions.

The report was tabled on 23 March 1984.

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

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A

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

MOTION FOR A RESOLUTION

on the organization of the market in sheepmeat

The European Parliament,

- having regard to the motion for a resolution tabled by Mr Davern and others (Doc. 1-80/83),
- having regard to the Commission report of 28 October 1983 on the functioning of the common organization of the market in sheepmeat and goatmeat (COM(83) 585 final),
- having regard to the amendments to this common organization of the market proposed by the Commission in its price proposals for the 1984/1985 marketing year (COM(84) 20 final/vol. III - Doc. 1350/83),
- having regard to the report of the Committee on Agriculture (Doc. 1-58/84),
 - A. having regard to Article 39 of the EEC Treaty, and in particular the need to ensure a fair standard of living for the agricultural community,
 - B. having regard to the report by Mr HERBERT on a regulation on the common organization of the market in the sheepmeat sector (Doc. 1-249/78),
 - C. having regard to Regulation (EEC) No. 1837/80 on the common organization of the market in the sheepmeat and goatmeat sectors which sanctions in practice the duality of the situation within the Community,
 - D. having regard to the existence of an annual average production deficit equal to approximately one quarter of consumption,
 - E. having regard to the increasingly serious problems faced by the least favoured regions of the Community and the widening disparities in the development of the various Community regions,

- F. having regard to the relatively high percentage of the agricultural working population in such regions and the lowness of their incomes,
 - G. whereas certain sheepmeat producers in the Community are experiencing a difficult situation resulting from the two different possibilities of compensation for losses of income provided for by Community rules and from certain imports from non-member countries,
 - H. whereas the marketing difficulties encountered by certain Member States may discourage the investments necessary for an improvement in productivity,
 - I. having regard to the need to respect Community preference,
 - J. whereas the authors of the Treaty of Rome did not include the 'fifth quarter' of sheep - wool in particular - under agricultural products, though certain non-member countries, on the other hand, regard sheepmeat as a by-product of wool,
 - K. whereas productivity can be improved by zoo-technical research,
 - L. whereas in the Mediterranean regions ewes sometimes constitute an effective means of preventing forest fires,
1. Regrets that the Commission did not submit the new regulation on the common organization of the market in sheepmeat and goatmeat on 28 October 1983 and has waited until the price proposals for the 1984/1985 marketing year, although this regulation is to span a period of five years; considers the Commission proposals inadequate and calls on the Council to amend both the internal and external provisions of the 1980 Community regulation as soon as possible, on the basis of the amendments proposed in this resolution;
 2. Notes that the common organization of the market implemented by Regulation (EEC) No. 1837/80 ensures neither a fair standard of living for producers - contrary to the Commission's assertions - nor Community self-sufficiency;
 3. Notes that the appropriations that have been set aside for this purpose have led to no increase in production and that in certain regions the common organization of the market has not succeeded in creating the confidence necessary for investments required for the improvement of production structures;

4. Emphasizes the economic importance of sheepmeat and goatmeat production for the economic and social viability of the Community's least favoured regions;
5. Considers that the insufficiency of Community sheepmeat production opens up genuine and precious possibilities for a steady increase in such production, which would offer a rare opportunity for development to certain particularly disadvantaged regions;
6. Notes with satisfaction that the common organization of the market in sheepmeat and goatmeat has been excluded from the MCA system;
7. Takes the view that solutions to the political problems raised by the British contribution to the Community budget cannot be sought at the expense of a rational, balanced and fair policy in the sheepmeat sector, among others;
8. Is opposed to the introduction of any co-responsibility arrangement in a production sector in deficit;
9. Disapproves of the dual nature of the system currently in force, which is contrary to the spirit of the Treaties and which should be allowed to subsist for only a very limited time lest there be an uneven development in production and incomes in the Member States, which would give rise to serious problems such as distortion of competition and artificial trade flows within the Community;
10. Considers that the mechanisms introduced should eventually make it possible to achieve unity of the market and of prices in the sheepmeat sector and that in the meantime it is important to ensure fair competition within the Community in order to prevent income support by one Member State from undermining price stability and production potential in others;
11. Considers that the market support measures in regions where there is no alternative production, as envisaged in the Commission's proposal, and not properly tailored to the difficulties of producers in these regions, particularly those who are affected by drought every year;
12. Considers the grant of additional compensation on the basis of a supplementary uniform premium per animal in the less favoured regions, whatever the number of ewes, represents an unjustified and unfair advantage for the largest production units;

13. Requests that the number of ewes giving entitlement in each farm to the grant of the aid provided for in Directive 75/268/EEC should be subject to a variable ceiling depending on the number of manpower units (MPU) and the geographical location of the farm;
14. Recommends a cautious approach to the fixing of a ceiling for the variable slaughter premium which must contribute to achieving unity of the market;
15. Considers the claw-back mechanism must be maintained in its entirety as long as the common organization of the market continues on a dual basis and that, in the present state of affairs, it should also be applied to exports to non-member countries;
16. Calls for the cessation of the United Kingdom's exports to other Member States of seasoned sheepmeat exempted from the 'claw-back';
17. Welcomes the Commission's decision to eliminate the possibility of animals for which a variable premium is received being slaughtered much later in conditions and at rates different from those applicable when the premium was granted;
18. Notes the Commission's determination to accentuate the seasonalization of guaranteed prices and hopes that this will make for more orderly marketing within the Community and better recognition of the specific nature of the production conditions peculiar to each region;
19. Requests the drawing up of a classification system for carcasses and statements of Community prices to ensure that the guaranteed levels are the same in all Member States;
20. Considers that the Commission must adopt an extremely firm line in negotiations on imports from non-member countries, as regards the quantity, the quality and the nature of imported meat and that it should explore all possibilities of unbinding under GATT, especially in the case of fresh chilled meat;
21. Takes the view that it is most important to maintain a degree of price stability among Member States and that for this purpose the system of 'sensitive areas' must be strictly applied for as long as the internal market has not become unified;

22. Insists on respect for Community preference in order to preserve the balance of the internal market, not only in respect of sheepmeat but also for all other types of meat;
23. Suggests that the 'fifth quarter', wool in particular, could be the subject of studies with a view to its incorporation in the common organization of the 'sheepmeat market' in the event of partial renegotiation of the treaties;
24. Hopes that all zootechnical research will be encouraged with a view to improving productivity, particularly in areas where sheep are indispensable for development, and reaffirms in this connection its great interest in agronomic research in general; however, does not wish to encourage intensive, factory-style sheepmeat production and feels that EEC financial support should be limited as far as possible to upland or other less-favoured areas;
25. Considers that the type of experiment carried out in the south of France by the Agricultural University of Montpellier should be applied elsewhere and that the development of flocks of sheep and goats should be encouraged in order to prevent the spread of scrub in the Mediterranean regions with the aim of preventing fires in forests and garrigues;
26. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.