

EUROPEAN PARLIAMENT

Working Documents

1982-1983

10 February 1983

DOCUMENT 1-1201/82/ANNEX

OPINION

of the Committee on Agriculture

on the proposal from the Commission of
the European Communities to the Council
(Doc. 1-1007/82 - COM(82) 679 final)
for a regulation on the import system
applicable in 1983-1986 to products falling within
subheading 07.06 A of the Common Customs Tariff
and amending Regulation (EEC) No. 950/68 on the
Common Customs Tariff

Draftsman: Mr E.P. WOLTJER

On 18 January 1983, the Committee on Agriculture appointed Mr Eisso WOLTJER draftsman of the opinion.

The Committee considered the draft opinion at its meeting of 10 February 1983 and at the same meeting adopted the draft opinion by seven votes to five with eight abstentions.

The following took part in the vote: Mr Curry, chairman; Mr Delatte, vice-chairman; Mr Woltjer, draftsman; Mr Blaney, Mrs Castle, Mr Clinton, Mr Dalsass, Mr Diana, Mr Helms, Mrs Herklotz, Mr Jürgens, Mr Kaloyannis, Mr Louwes (deputizing for Mrs Martin), Mr Maffre-Baugé, Mr Maher, Mr Mertens, Mr Mouchel, Mr B. Nielsen, Mr J.D. Taylor (deputizing for Mr Hord) and Mr Vgenopoulos.

Purpose of the Commission's proposal

1. The Commission has negotiated with Thailand, the main supplier of manioc, the principal cereal substitute, an agreement on limiting its exports to the Community. Thailand has very recently become a member of GATT. A certain number of other manioc exporters are in GATT. The Community announced its intention officially of re-negotiating this concession under GATT, and reached an agreement with Indonesia and Brazil, by which the present GATT consolidation is suspended until 1986, and the Community is instead to open a tariff quota limited to 6% ad valorem each year.

The Commission proposes therefore to adapt the present import regime for manioc and similar products under 07.06A of the Common Customs Tariff (excluding sweet potatoes). The tariff quotas are as follows:

<u>Country</u>	<u>1982</u>	<u>1983</u>
Indonesia	500,000	750,000
Other GATT members	90,000	132,355
Thailand	5,500,000	5,500,000
Other third countries	370,000	370,000
TOTAL	6,460,000	6,752,355

Observations

2. The Committee on Agriculture has already considered the Agreements drawn up with these third countries on manioc imports into the Community, and drew up an opinion (Doc. 1-435/82, draftsman Mr Davern) in which the Committee on Agriculture welcomed the Commission's proposal to reach an agreement with Indonesia on the imports of manioc and approved the resulting change in the import regime.

3. It is clear that having accepted the agreements with Thailand, Indonesia and Brazil, the European Parliament should approve the limited measure now proposed to implement those agreements.
4. It is important to emphasise that manioc represents only one of a series of products imported from third countries for use in Community feedstuffs. The Community should examine the whole range of these imports so as to reach balanced agreements with the exporting countries on the basis of the rules laid down in GATT.
5. Concerning imports of manioc, it should be pointed out that the Agreement with Thailand results in a stabilization of imports from that country for the duration of the Agreement, i.e. until 1986.
6. It is also worth noting that the use of Community produced cereals in feedstuffs has continued to increase at a significant rate, for example: wheat has increased from 11.9m tonnes in 1978/79 to 13.3m tonnes in 1980/81. What has decreased significantly has been the use and import from the US of maize for animal feed: maize in animal feed has decreased by 3m tonnes from 1978/79 to 1980/81 and so have imports from the US. Over the period 1974/1981, maize imports from the US have decreased by 6m tonnes. It could be argued, therefore, that increases in manioc imports have displaced imports of maize from the US and other imported products which are not normally included in Community statistics.
7. One should also note that changes in the use of cereals for animal feed, directly and in industrially produced feeds, reflects in part the shift in the structure of meat production in the Community, seen over a number of years as a decline in beef production and an increase in pigs and poultry. This leads to a corresponding change in the fodder requirements (see Annex II) for each sector, and a relatively increased requirement of high energy products, such as manioc, used in the pig and poultry sectors.
8. One further remark should be made concerning manioc. The Commission is considering a modification of the Common Customs Tariff heading for manioc pellets containing more than 40% meal. This would sharply increase duties and lower quantities imported, particularly damaging the smaller processing businesses in Thailand. The larger factories financed from Europe have the resources to improve their processing systems and so maintain their export levels. The measure envisaged by the Commission cannot be accepted at the present time.

9. The Commission should propose measures to encourage cooperatives in Thailand to improve their processing structures. The Committee on Agriculture would also like to reaffirm its support for measures to help Thailand diversify its agriculture, as well as finding alternative outlets for manioc production.

Conclusions

10. Points out that the European Parliament has approved the Agreements with Thailand, Indonesia and Brazil, and approves, therefore, this limited measure to implement those Agreements.

11. Believes that the Community should assist Thailand to diversify its agriculture and to help cooperatives in Thailand to improve their processing installations.

12. Requests the Commission to examine imports of other import products used for animal feedstuffs, and to negotiate where necessary balanced agreements with the exporting countries on the basis of the rules agreed to under GATT, and in particular with the United States on maize gluten feed.