

EUROPEAN PARLIAMENT

# Working Documents

1979 - 1980

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7 December 1979

DOCUMENT 1-564/79

## Report

drawn up on behalf of the Committee on Agriculture

**on the proposal from the Commission of the European Communities to the Council (Doc. 1-354/79) for a regulation amending Regulation (EEC) No 1117/78 on the common organization of the market in dried fodder and Regulation EEC No 827/68 on the common organization of the market in certain products listed in Annex II to the Treaty**

**Rapporteur: Mr H. JÜRGENS**



By letter of 24 September 1979, the President of the Council of the European Communities consulted the European Parliament pursuant to Article 43 of the EEC Treaty on the proposal from the Commission of the European Communities to the Council (Doc. 1-354/79) for a regulation amending Regulation (EEC) No. 1117/78 on the common organization of the market in dried fodder and Regulation (EEC) No. 827/68 on the common organization of the market in certain products listed in Annex II to the Treaty.

The President of the European Parliament referred the proposal to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for an opinion.

On 30 October 1979 the Committee on Agriculture appointed Mr JÜRGENS rapporteur.

It considered the proposal at its meeting of 19-20 November 1979 and adopted the motion for a resolution and explanatory statement by 19 votes to 3, with 3 abstentions.

Present: Sir Henry Plumb, chairman, Mr Jürgens, rapporteur, Mr Arfè (deputizing for Mr Hauenschild), Mr Battersby, Mr Bocklet, Mrs Castle, Mr de Courcy Ling, (deputizing for Mr Kirk), Mr Curry, Mr Dalsass, Mr Davern, Mr Delatte, Mr D'Ormesson, Mr Fröh, Mr Gatto, Mrs Herklotz, Mr Howell, Mr Kavanagh (deputizing for Mr Lyng), Mrs S. Martin (deputizing for Mr Maher), Mr Brøndlund Nielsen, Mr Provan, Miss Quin, Mr Skovmand, Mr Sutra, Mr Tolman, Mr Woltjer.

The opinion of the Committee on Budgets is attached.

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

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No. 1117/78 on the common organization of the market in dried fodder and Regulation (EEC) No. 827/68 on the common organization of the market in certain products listed in Annex II to the Treaty

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council<sup>1</sup>
- having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 1-354/79),
- having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 1-564/79),
- considering that production of vegetable proteins in the Community should be increased to reduce the latter's substantial deficit in this sector,

Approves the Commission's proposal.

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<sup>1</sup>OJ No. C 242, 27.9.1979, p. 6

EXPLANATORY STATEMENT

1. The Commission proposal has a twofold aim:

(a) to amend the CCT classification for protein concentrates obtained from lucerne and grass, in accordance with the opinion of the CCT Nomenclature Committee;

(b) to include the by-products obtained during the manufacture of these concentrates among the products receiving production aid in accordance with Regulation (EEC) No. 1117/78 on the common organization of the market in dried fodder, since these by-products are used for the same purposes as the other products listed therein.

2. According to the information provided by the Commission, around 35,000 t of by-products obtained from the production of protein concentrates should receive aid of 22.9 u.a./t, at a total annual cost to the EAGGF of approximately 1.1 million EUA.

It should be noted that at present as a consequence of the situation on the world market the amount of the aid is much lower, so that the total annual cost would be only about a third of the amount envisaged, i.e. about 350,000 EUA.

3. The Committee on Agriculture should have no objections to the modification of the CCT classification in accordance with the opinion of the CCT nomenclature Committee, since this is a technical adjustment prompted by the need to improve customs controls.

4. However, during the initial discussion within the Committee on Agriculture, a number of reservations were expressed with regard to the second part of the proposal, that is, the extension to by-products of the flat-rate production aid. This aid is already granted in the basic Regulation 1117/78 to protein concentrates obtained from lucerne juice and grass juice. Before showing that these reservations are groundless, consideration should be given briefly to the system of production of concentrates and by-products.

5. Lucerne is a leguminous plant which grows particularly well in limestone soil. It provides the highest quantity of protein per hectare: 1 ha of wheat yields a gross weight of 550 kg of protein, one ha of soya 720 kg, one ha of beans between 650 and 900 kg and one ha of lucerne between 2,000 and 2,500 kg.

Under the new system for obtaining protein concentrates, which is replacing the traditional dehydration method, the lucerne is ground and pressed while cold. Pressing yields the following products:

- a green juice used to manufacture protein concentrate;
- pressed lucerne, with a water content of around 65%, without the elements contained in the juice.

The juice is then further processed into pellets 8 mm in diameter, containing 50% protein and 500 mg/kg carotene. This is protein concentrate, which already receives production aid from the Community.

The pressed lucerne is subjected to further dehydration, desiccation and grinding processes and is compressed into pellets, which are easily preserved and stored. They contain 17% protein and 115 mg/kg carotene.

6. To obtain a high yield of protein concentrate it is essential to use young lucerne, which has a higher protein content.

The new process therefore has the advantage over the traditional dehydration method, that it enables the basic product to be exploited more rationally, since the pressed lucerne, the by-product of the production of concentrates, also has a high protein content precisely because of the agronomic and harvesting conditions which are essential to enable the process to be used.

7. It would therefore seem justified to extend the aid to include pressed lucerne, which has the same characteristics and is used for the same purposes as the concentrates.

Turning to the more general question of production aid for dried fodder, which has been in existence since 1974, this is amply justified seeing that:

- Community production of this fodder is inadequate (less than 1.7 million t in 1977);
- it is faced by competition from similar products imported from third countries duty-free and at widely fluctuating prices;
- should the dehydration industry find it impossible to pay a reasonable price to producers of lucerne and other green fodder, the areas under cultivation would be reduced and used for the production of sugar-beet or cereals, which are notorious for their marketing problems;
- finally, the cultivation of lucerne represents an ideal form of rotation for the land, since less nitrogenous fertilizers are required.

8. The Committee on Agriculture therefore approves the Commission's proposal, which accords perfectly with the aim of increasing protein production in the Community, where there is a substantial deficit of this commodity.

However, the following important points were raised in the course of the Committee's discussions:

- the amount of energy used and the possibility of energy savings with the new process as compared with the traditional process;
- the possibility of loss of nutritional value (protein content) of by-products by comparison with other types of dehydrated fodder during storage in silos;
- whether the recipients of the aid were to be the processors or the producers of lucerne; it was pointed out that there is a growing tendency for green fodder producers to set up cooperatives to dry and process their produce on their own account.

9. On energy saving, the Commission has provided data according to which the amount of energy saved with the new process is about 30% as compared with the traditional process and as much as 40% if only thermal energy is taken into account. The total energy consumed in the traditional dehydration process is about 667 megacalories (1 megacalorie = 1,000 kilocalories) per tonne of fresh fodder, of which 583.4 megacalories are provided by thermal energy (oil) and 83.3 megacalories by electricity.

The new process reduces the consumption of thermal energy to 349.7 megacalories (about 40% less), while the amount of electricity used is slightly higher at 111.1 megacalories, making a total of 461 megacalories (30% less).

The energy saving with the new process is therefore quite substantial.

10. On the second problem, that of maintaining the nutritional value of the by-products during storage in silos, the Commission has stated that there is no technical reason to suppose that, given identical conditions, there should be any significant variation in the protein content of pressed dehydrated lucerne after extraction of the protein concentrate as compared with other types of dehydrated fodder. Any fears in that direction would therefore be unfounded.



OPINION OF THE COMMITTEE ON BUDGETS

Letter from the acting chairman to Sir Henry PLUMB, chairman of the Committee on Agriculture

Luxembourg, 6 December 1979

Subject: Opinion of the Committee on Budgets on the proposal for a regulation amending Regulation No. 1117/78 on the common organization of the market in dried fodder and Regulation No. 827/68 on the common organization of the market in certain products listed in Annex II to the Treaty (Doc. 354/79)

Dear Mr Chairman,

At its meeting of 28 November 1979 the Committee on Budgets, which had been asked for its opinion, approved the above proposal for a regulation.

At the same time, it urged the Commission to provide in future comprehensive data relating to losses of revenue resulting from the measures adopted in the course of the year and to ensure that each proposal gives an up-to-date picture of those losses.

I felt that I should emphasize this particular requirement, since I am certain that all the parliamentary committees would wish to know the reasons for any reduction in the course of the year in Community revenue, which is already subject to a ceiling which may well be reached early next year.

Yours sincerely,

(sgd) Harry NOTENBOOM  
Acting chairman and  
first vice-chairman

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Present: Mr Lange, chairman; Mr Adonnino, Mr Arndt, Mr Balfe, Mr Barbi, Mrs Boserup, Mr Flanagan, Mr Forth, Mr Gouthier, Mrs Gredal, Mrs Hoff, Mr Hord, Mr Langes, Mr Nord, Lord O'Hagan, Mr Konrad Schön, Mrs Scrivener, Mr Simonnet and Mr J. M. Taylor.

