



European Commission  
Directorate-General for Agriculture

# Newsletter

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## Mid-term review of the CAP

**The common agricultural policy has been in place now for 40 years. As all policies, however, the CAP has had to face new challenges. Times change and different priorities emerge from society. If, in the early days of the CAP, making sure that everyone had enough to eat was the major objective, today's citizens and consumers are equally concerned with eating food which is safe and traceable from stable to table and being able to choose quality products, the production of which respects less tangible ethical issues such as animal welfare and environmental protection.**

The process of CAP reform began in the early 1990s with a move away from open-ended support for farmers, which had led to surpluses and high disposal costs. Instead of paying farmers for production, a system of direct payments based on hectares of land or number of animals was introduced and a ceiling was placed on the budget that could be spent on the CAP. The shift from price support to direct payments made the market support policies that were both less distortive and more transparent. Environmental considerations began to play a role in the policy, and the concept of rural development was introduced, meaning that the role that farmers played in the rural community as providers of services to the rural population was to be compensated and that there was also a general recognition of other occupations which contributed to the development of the rural environment.

Agenda 2000 was a continuation of this approach, introducing the European model of agriculture whereby economic, social and environmental objectives were established as the three elements of sustainable agriculture and rural development. Prices were reduced to make EU agricultural products more competitive on world markets and the system of direct payments was reinforced. Environmental schemes were introduced and the environmental component in a number of market regimes was strengthened. When Agenda 2000 was adopted in the European Council at Berlin, it was decided that, after a few years, there would be a review of some of the major sectors, such as dairy, beef and cereals, in order to see whether the mechanisms that had been put in place were working satisfactorily.

It was also decided to examine the working of the agricultural budget guidelines with a view to fixing them before the first enlargement, foreseen in 2004. In the Gothenburg Council the Commission was asked to examine how the CAP could be used to bring about a more sustainable form of agriculture in the EU as well as examining food safety, quality and social aspects of the CAP.

The time has come, therefore, to see whether the mechanisms which were put in place to achieve the objectives of Agenda 2000 are working satisfactorily and to make any adjustments necessary to meet better those objectives. The mid-term review offers the opportunity to deliver better the objectives of Agenda 2000 and meet society's expectations of the CAP by reinforcing sustainability and quality production. With the right internal policies we will have a strong base for enlargement and meeting our international commitments.

## Commission adopts clearer wine labelling rules

New wine labelling rules adopted by the European Commission this month will provide consumers with more comprehensive information on the products they are buying when they come into force on 1 January 2003. Under the new regulation, which lays down the rules for applying the basic regulation <sup>(1)</sup>, producers will have to identify the alcoholic strength, the lot number and the name of the bottler, the sales designation and the volume on all their labels. Certain bottle shapes are also reserved for certain types of wine under the regulation, e.g. the French 'Flute d'Alsace'.

Certain optional but regulated terms, including the production method, name of the vineyard, the vintage year, the vine variety and awards and medals, are reserved for wines with a geographical indication.

The regulation also summarises the two categories of rules relating to the protection of certain traditional expressions (TEs) <sup>(2)</sup>, i.e. those that indicate a method of producing wine and those that are closely linked to

<sup>(1)</sup> Regulation (EC) No 1493/99 of 17 May 1999 (OJ L 179, 14.7.1999).

<sup>(2)</sup> 'Traditional expression' is a term used to designate a wine which has three key characteristics: a legislative, simple and precise definition, a traditional use on the EU market (minimum 10 years), and a notoriety in the mind of the consumer resulting from that definition and traditional use.

a geographical origin so as to meet the TRIPs<sup>(3)</sup> definition of a geographical indication (GI). The new regulation ensures the protection of these expressions on the EU market and thus prevents their misuse. Examples of traditional expressions protected by a GI include 'ruby', 'tawny' or 'vintage' for port from Portugal and 'Lacryma Christi' for Vesuvio wine in Italy.

Provisions applying to non-EU-country wines that are sold in the EU are also outlined. Where these wines are entitled to protection under a GI, they will be treated in the same manner as an EU wine that is protected by a geographical indication.

This is the ninth and final implementing regulation concerning the basic regulation that was laid down in 1999 which applies to fresh grapes other than table grapes, grape juice and musts, wine of fresh grapes, wine vinegar, *piquette* and wine lees. It aims to maintain an efficient balance between supply and demand on the Community market and to enable producers to take advantage of the expanding markets and to become more competitive in the long term. The comprehensive labelling system that the regulation now requires will improve transparency and traceability, will better inform consumers about what they are buying and will help viticulturists in the promotion of quality wine.

<sup>(3)</sup> The World Trade Organisation (WTO) Agreement on the Trade-Related Aspects of Intellectual Property Rights (TRIPs) requires all WTO members to respect a comprehensive set of minimum standards of protection for intellectual property rights (IPRs). It also covers their enforcement.

## News in brief

### □ 'Double profit' negotiations concluded with four CEECs

In another step towards mutually liberalising agricultural trade between the EU and the candidate countries, the European Commission has concluded 'double profit' negotiations with Estonia, Hungary, Latvia and Lithuania, respectively. Entering into force on 1 July 2002, these new agreements, which enhance the existing agricultural trade preferences, foresee the abolition or reduction of import duties either within tariff quotas or for unlimited quantities. The agreements also include a commitment by the parties to remove export refunds for certain sectors. Negotiations with the remaining candidate countries are still under way.

Reciprocal trade concessions on products such as pig and poultry meat, certain fats and oils and a wide range of fruit and vegetables were already negotiated under the 'double zero' round of agreements concluded in 2000. This latest deal extends the agreements to include wheat, maize, rye, oats, malt, beef, sheepmeat, dairy products and molasses.

Facilitating mutual farm trade before the accession of the candidate countries is an important part of the EU's accession strategy and it will help to prepare both sides for enlargement and the expansion of the single market.

### □ Call for tenders

On 18 April, the Agriculture DG published a prior information notice on a forthcoming call for tenders relating to information and communication activities concerning the common agricultural policy. Further information can be obtained on the Internet ([http://europa.eu.int/comm/agriculture/tender/index\\_en.htm](http://europa.eu.int/comm/agriculture/tender/index_en.htm)).

### □ New publication from the Agriculture DG

The Agriculture DG has issued a new publication entitled *Agriculture in the European Union — Statistical and economic information 2001*, covering the economic situation in agriculture, structures, trade, markets, financial aspects and rural development<sup>(1)</sup>.

### □ Agriculture News Digest

The Agriculture DG has launched a new, free service in English: the *Agriculture News Digest* whereby subscribers can receive its latest news by e-mail. See [http://europa.eu.int/comm/agriculture/newsdigest\\_en.htm](http://europa.eu.int/comm/agriculture/newsdigest_en.htm) for information on how to subscribe.

<sup>(1)</sup> Only available in English. Catalogue No: KF-AC-02-001-EN-C; web site address: [http://europa.eu.int/comm/agriculture/agrista/2001/table\\_en/index.htm](http://europa.eu.int/comm/agriculture/agrista/2001/table_en/index.htm)



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