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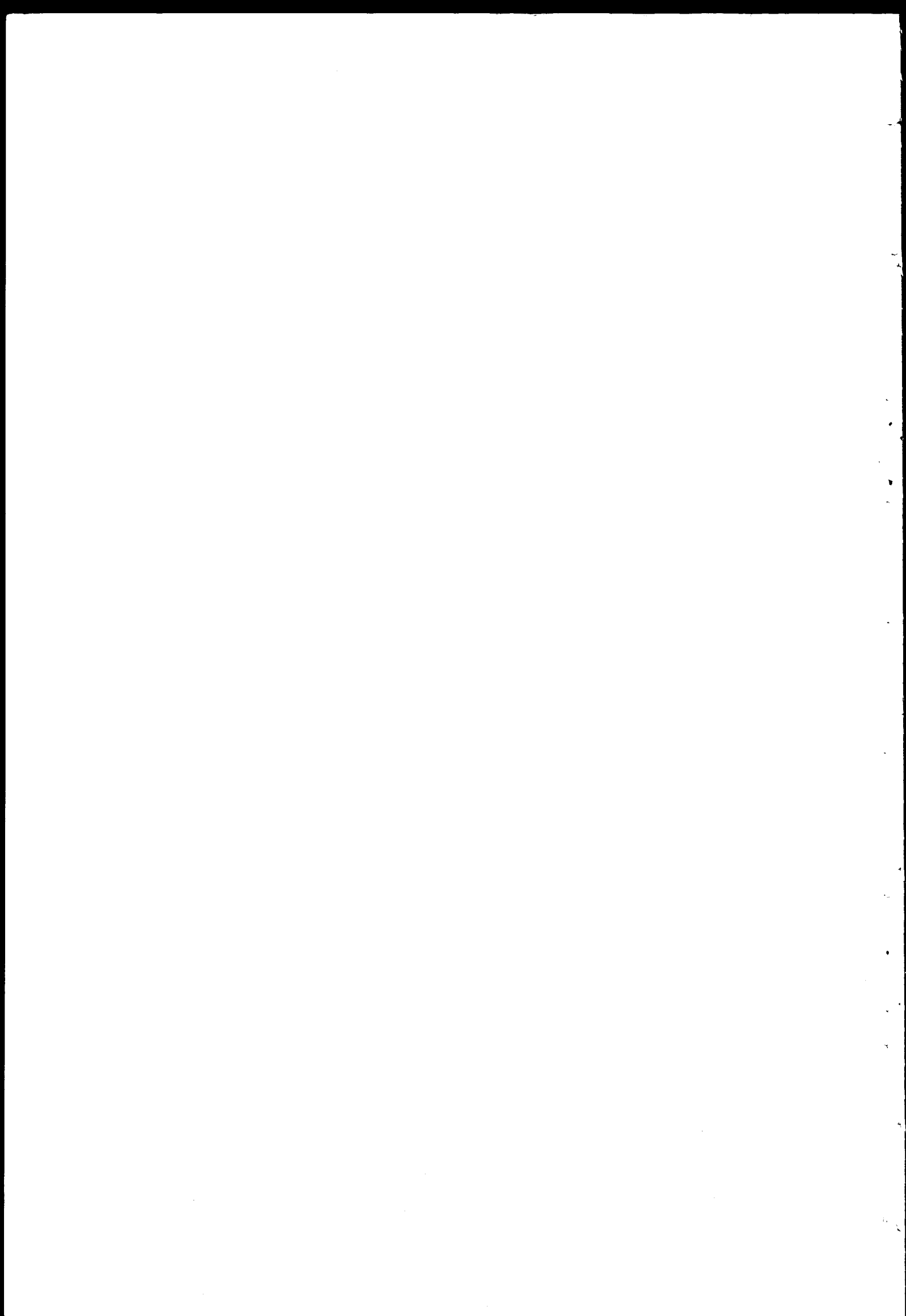
Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 89/75) for a regulation laying down measures for the rationalization of horticultural production under glass

Rapporteur: Mr H. FREHSEE

PE 40.862/fin.



By letter of 6 May 1975 the President of the Council of the European Communities requested the European Parliament, pursuant to Articles 42 and 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation laying down measures for the rationalization of horticultural production under glass.

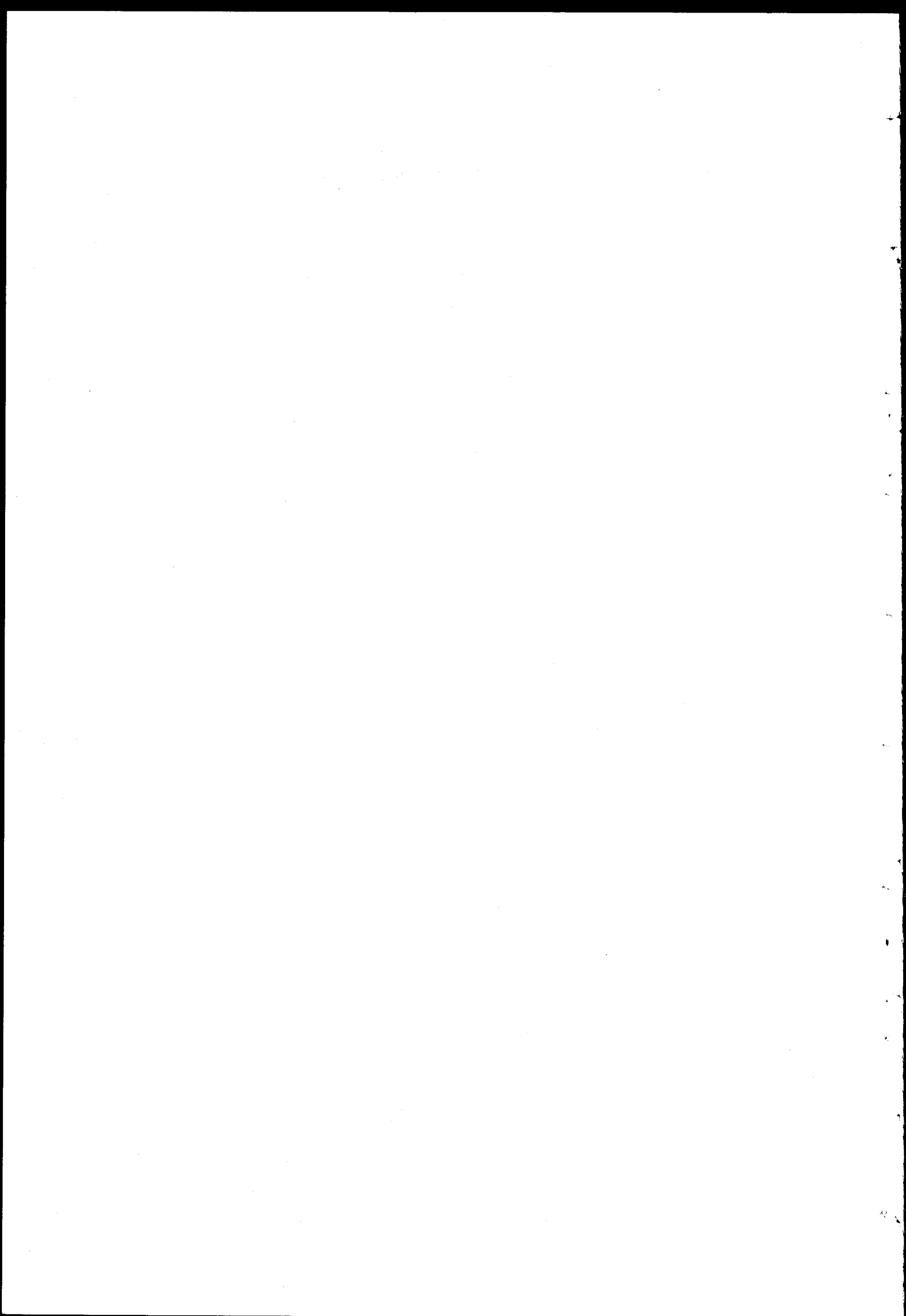
The President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion.

On 22 May 1975 the Committee on Agriculture appointed Mr Frehsee rapporteur.

It considered this proposal at its meeting of 3 and 4 June 1975 and unanimously adopted the motion for a resolution and the committee's report.

Present: Mr Vetrone, vice-chairman and acting chairman; Mr Laban, vice-chairman; Mr Frehsee, rapporteur; Mr Boano, Mr Bourdellès, Mr Della Briotta, Mr Früh, Mr Gibbons, Mr Hansen, Mr Hunault, Mr de Koning, Mr Martens, Mr Ney, Mr Brøndlund Nielsen, Lord St. Oswald.

The opinion of the Committee on Budgets will be published separately.



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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 laying down measures for the rationalization of horticultural production under glass

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council¹,
 - having been consulted by the Council pursuant to Articles 42 and 43 of the EEC Treaty (Doc. 89/75),
 - having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 129/75),
1. Approves the proposal on measures for the rationalization of horticultural production under glass;
 2. Points to the need to apply the socio-structural measures provided for in existing structural guidelines in favour of those who have ceased production and fulfilled the other conditions in application of the proposal for a regulation;
 3. Regrets that the Commission has not attached to its proposal a survey of the relative importance of horticultural production under glass in Member States for overall agricultural production in the Community.

¹ OJ No. C 125, 5.6.1975, p. 2

EXPLANATORY STATEMENT

1. Increased fuel prices have led to a considerable rise in production costs for products cultivated under glass. Producers are not in a position to pass on this exceptional cost explosion in full to consumers.

Given this situation, the Commission has proposed measures to enable economically unprofitable holdings to reduce their capacity or entirely cease production in order to rationalize the structure of production in this sector.

2. The proposal thus aims at creating an incentive for producers of horticultural products under glass to dismantle glasshouses built before 1 January 1969. They will receive a premium on condition that they do not increase the area cultivated under glass for six years. This should concentrate production on the most modern glasshouses. This is, therefore, a structural measure; however, it also has social aspects since most of the aid will probably go to small undertakings which are not really viable.

3. On the basis of a premium of 3.5 u.a. per square metre of glasshouses dismantled, the Commission estimates total costs at 35m u.a. of which, under the proposal, 25% or about 8.8m u.a. is to be refunded by the Guidance Section of the EAGGF. The amount of the premium will correspond to national aids hitherto granted in Member States for measures to dismantle glasshouses.

Since this Community arrangement is to replace national aids, Article 11 of the proposal for a regulation rightly provides that it is without prejudice to the granting of similar national aids, 'provided the corresponding applications are submitted before the date on which it enters into force'.

4. The European Parliament has repeatedly emphasized that national aids may seriously disturb the unity of the common agricultural market by distorting competition in individual Member States, and that if they cannot be abolished in the near future, they should be reduced to a single, Community denominator. That is why the Committee on Agriculture welcomes this practical step in respect of glasshouse production.

If these aids are used effectively throughout the Community to reduce glasshouse capacities and adjust production to real demand, they should eventually make auxiliary measures, such as the national fuel subsidies, which have meanwhile been extended until 1 July 1976, quite unnecessary.

5. The proposals constitute common measures within the meaning of Article 6(1) of the regulation on the financing of the common agricultural policy.¹

¹ Regulation No. 729/70, 21.4.1970, OJ No. L 94, 27.4.1970, p.13

Moreover, they provide for control by Member States to ensure that recipients of premiums do in fact fulfil their obligation to dismantle glasshouses.

6. Success will depend partly on whether Directives No. 72/160/EEC and No. 72/161/EEC¹ are implemented in addition to the measures proposed here. The Committee on Agriculture therefore takes this opportunity to urge once again the rapid application by Member States of the structural guidelines adopted on 17 April 1972.

7. The Committee on Agriculture would, however, have welcomed the submission by the Commission of a country-by-country survey of existing areas under glass and of the expected effect of the proposed measures, in order to clarify its proposals. The relative importance of this sector for agriculture in the Member States concerned should emerge clearly from the proposal.

8. Finally, the Committee on Agriculture wonders why no use was made of the Mansholt Reserve to finance this common measure. Parliament and the Committee on Agriculture have constantly urged the use of this fund to finance structural measures in agriculture.

9. Subject to these comments, the Committee on Agriculture recommends adoption of this proposal by Parliament.

¹OJ No. L 96, 23.4.1972, pp. 9, 15

