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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. 258/78) for a regulation amending Regulation (EEC) No. 525/77 establishing a system of production aid for tinned pineapples

Rapporteur: Mr A. LIOGIER

1.2.1.

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By letter of 3 August 1978 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 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 amending Regulation (EEC) No. 525/77 establishing a system of production aid for tinned pineapple.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on Budgets and the Committee on Development and Cooperation for their opinions on 9 August 1978.

On 12 September 1978 the Committee on Agriculture appointed Mr Liogier rapporteur.

It considered this proposal at its meeting of 28 and 29 September 1978 and adopted it unanimously.

Present : Mr Liogier, vice-chairman, acting chairman and rapporteur; Mr Albertini, Mr Andersen, Mr Brégégère, Mr Brugger, Mr Caillavet, Mr Cunningham, Mr Früh, Mr Halvgaard, Mr Herbert, Mr Joxe, Mr Klinker, Mr Lemp, Mr L'Estrange, Mr Ney, Mr Pucci.

The opinions of the Committee on Budgets and the Committee on Development and Cooperation are attached to this report.

C O N T E N T S

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

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. 525/77 establishing a system of production aid for tinned pineapple

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council[1],
- having been consulted by the Council pursuant to Article 43 of the Treaty establishing the EEC (Doc. 258/78),
- having regard to the report by the Committee on Agriculture and the opinions of the Committee on Budgets and the Committee on Development and Cooperation (Doc. 352/78),

Approves the Commission proposal.

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[1] OJ No. C 183, 1.8.1978, p.4

B

EXPLANATORY STATEMENT

1. Some 13,800 tonnes of pineapples of Community origin are produced each year, mainly in the French overseas department of Martinique.

The pineapples are harvested twice a year, first in June-July, and then in the period from October to December.

2. Council Regulation (EEC) No. 525/77 establishing a system of production aid for tinned pineapple[1] makes the granting of production aid to pineapple processors, to compensate for the difference between the Community offer price for tinned pineapple and the prices charged by suppliers in non-Member countries, conditional on payment to producers of a minimum price, laid down each year by the Council.

3. The aid is only granted to processors using pineapples harvested in the Community. Such aid amounted to 3.6m EUA in 1977.

4. Experience has shown that processors, who need to purchase the sugar required for the manufacture of tinned pineapple, are encountering financial difficulties in paying the producers, because of the rather long period which pineapple processing takes and delays in receiving the aid.

5. For this reason, the Commission proposes to pay advances to pineapple processors before they pay producers the minimum price laid down in Regulation (EEC) No. 525/77. The advances may be paid on submission of a written contract between the producer and the processor, provided that the latter lodges a security in order to ensure compliance with the conditions on which aid is granted (see Article 6 of Regulation (EEC) No. 525/77).

6. The advance payment of aid is no novelty in the common agricultural policy. Thus Article 10 of Council Regulation (EEC) No. 2114/71[2] on aid for oilseeds provides for the advance payment of aid granted for oilseeds. Again, Article 3 of Council Regulation (EEC) No. 1931/76[3], laying down the general rules for wine-distilling operations covered by Articles 6b, 6c, 24a and 24b of Regulation (EEC) No. 816/70 provides for the advance payment of part of the minimum purchase price of wines by distillers.

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[1] OJ No. L 73, 21.3.1977, p. 46

[2] OJ No. L 222, 2.10.1971, p. 2

[3] OJ No. L 211, 5.8.1976, p. 6

7. Consequently, the present proposal, which is not unlike other provisions already adopted by the Council, and will have no particular financial impact beyond the 1978 financial year, should be approved.

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the committee chairman to Mr CAILLAVET, chairman of the Committee on Agriculture

Strasbourg, 14 November 1978

Subject: Proposal for a Council regulation amending Regulation (EEC) No. 525/77 establishing a system of production aid for tinned pineapple

Dear Mr Caillavet,

At its meeting of 13 November 1978 the Committee on Budgets considered the above proposal for a Council regulation.

The amendment provides for the payment of advances to processors who would otherwise suffer considerable financial hardship owing to the long period required for processing and the need to pay a minimum price to the producers.

The Committee on Budgets also examined the financial statement attached to the Commission proposal. The expenditure chargeable to the general budget of the European Communities for the current financial year (from the 6 m EUA entered under Article 682 of the 1978 budget) is set at 3 m EUA.

Since it was not clear how this figure was arrived at and since it was impossible to ascertain how the expenditure arising from the proposal can be met from the appropriations entered under Article 682, the committee obtained verbal explanations according to which

- the financial statement was drawn up on the basis of estimates in February, which had been superseded by information received by the Commission in July;
- the estimated expenditure on the advance payments in question would, on the basis of this later information, amount to only 1 m EUA;
- this expenditure could be met from the appropriations entered under Article 682 and still unused.

On the strength of the above explanations and in view of the small expenditure involved and the assurance that the appropriations already entered in the budget will be sufficient to cover it, the Committee on Budgets, whilst regretting that it was not informed in good time by the Commission of its new expenditure estimates, decided to deliver a favourable opinion.

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(sgd.) Erwin Lange

Present: Mr Lange, chairman; Mr Cointat, vice-chairman; Mr Caro, Mrs Dahlerup, Mr Dankert, Mr Nielsen, Mr Ripamonti, Mr Shaw and Mr Würtz.

OPINION OF THE COMMITTEE ON DEVELOPMENT AND COOPERATION

Draftsman: Mr G. BERSANI

On 21 September 1978 the Committee on Development and Cooperation appointed Mr Bersani draftsman.

It considered the draft opinion at its meeting of 18/19 October 1978 and adopted it unanimously.

Present: Miss Flesch, chairman; Mr Bersani, vice-chairman and draftsman; Mr Lagorce, vice-chairman; Mr Sandri, vice-chairman; Mr Broeksz, Lord Castle, Mr Cunningham, Mr Delmotte, Mr Deschamps, Mr Dewulf, Mr Nolan, Mr Vergeer and Mr Wawrzik.

1. The purpose of this proposal is to amend Regulation No 525/77, which lays down a system of production aid for tinned pineapples in the Community. The pineapple production actually concerned is that of Martinique, which amounts to some 10 to 12 thousand tonnes per year. Martinique has high production costs compared with the other countries from which the Community imports pineapples, this being mainly due to high wage costs and social security charges. In 1974, for example, pineapples from Martinique were costing 90 u.a. per tonne, compared with only 31 u.a. for those imported from the Ivory Coast. Your committee was not consulted on the regulation in question at the time. Since Parliament approved it, however, the committee will not refer again to its contents.

2. The purpose of the new regulation is to allow advances to be paid to the undertakings processing fresh pineapples, which are required to pay a minimum price to the producers. As the Commission states in its explanatory note, owing to the special circumstances under which pineapples are harvested, the processing extends over a rather long period. This means that support payments to processors are somewhat delayed, and this causes them financial difficulties, since they are required to pay a minimum price to the producers. To remedy this, it is proposed that advances be paid to the processors on submission of a supply agreement or a written contract between the producer and the processor.

3. The financial statement sets the expenditure required at 3 m EUA for the current financial year. Since only advances are involved and since the principle of granting the aid has already been approved, the real costs are simply the loss of interest during the period for which the proposed advances - which have already been entered in the budget - are paid out.

Since the quantities involved are limited and since the system will entail only minimal costs, your committee does not oppose the adoption of this proposal for a regulation.