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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. 1-1165/82 - COM(82) 786 final) for a regulation amending Regulation (EEC) No. 1431/82 laying down special measures for peas and field beans

Rapporteur: Mr L. EYRAUD

PE 83.206/fin.

By letter of 17 January 1983, the President of the Council of the European Communities requested the European Parliament to deliver an opinion, pursuant to Article 43 of the Treaty, on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No. 1431/82 laying down special measures for peas and field beans.

On 7 February 1983, the President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and the Committee on Budgets for an opinion.

On 18 January 1983 the Committee on Agriculture appointed Mr Eyraud rapporteur.

The committee considered the Commission's proposal and the draft report at its meeting of 22 and 23 March 1983.

At this meeting the committee decided unanimously to recommend to Parliament that it approve the Commission's proposal without amendment.

The committee then unanimously adopted the motion for a resolution as a whole.

The following took part in the vote: Mr Curry, chairman; Mr Früh, vice-chairman; Mr Eyraud, rapporteur; Mr Abens (deputizing for Mr Vernimmen), Mr Clinton, Mr Enright (deputizing for Mrs Castle), Mr Gontikas (deputizing for Mr Diana), Mr Gautier, Mr Howell, Mr Maffre-Baugé, Mr Marck, Mr Mouchel, Mr Nielsen, Mr Papapietro, Mr Protopapdakis (deputizing for Mr Kaloyannis), Mr Tolman, Mr Vitale and Mr Woltjer.

This report was tabled on 23 March 1983.

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

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

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a Council Regulation amending Regulation No. 1431/82 laying down special measures for peas and field beans.

The European Parliament,

- having regard to the proposal from the Commission to the Council (COM(82) 786 final),
- having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 1-1165/82),
- having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets, (Doc. 1-95/83)
- having regard to the result of the vote on the Commission's proposal,
 - (a) whereas there is a need to maintain a system of aid in order to encourage the production of peas and field beans used in manufacturing animal feeding-stuffs;
 - (b) whereas there is a need to maintain a system of aid also for peas and field beans used for human consumption or for consumption in unaltered state by certain animals;
- 1. Accepts the Commission's argument that the aid should be calculated with reference to the price of products with which domestic Community production has to compete;
- 2. Agrees with the Commission's proposal that aid granted for peas and field beans to be fed in unaltered state to certain animals should be calculated on the basis of the difference between the guide price fixed for peas and field beans and the price recorded on the world market for the same products;
- 3. Reiterates its request to the Commission to inform it whether the implementation of Regulations 1119/78 and 1431/82 laying down special measures for peas and field beans has led to increased production of these crops in the Member States on the one hand and to the replacement of imported soya cake for animal feed together with increased human and animal consumption of peas and field beans in unaltered state on the other;

¹ OJ No. C329 of 15.12.82, p. 3

4. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.

EXPLANATORY STATEMENTI. Historical background

1. Regulation 1119/78¹ established a system of aid for peas and field beans used in animal feed.

This arrangement, on which the European Parliament delivered a favourable opinion in the Hughes report², provides for aid to be granted to manufacturers of animal feedingstuffs who undertake to pay producers at least the minimum price, to be fixed annually at a level which, allowing for market fluctuations and the cost of transport of the product from producer to processor, enables producers to obtain a fair return.

2. This regulation is amended by Regulation No. 1459/80³, which provides for aid to be granted in future to producers who extract protein concentrate from peas and field beans on condition that the other products obtained in this extraction process are intended for use in animal feedingstuffs.

3. In Regulation No. 1431/82⁴, which replaces Regulation No. 1119/78, peas and field beans intended for human consumption are also included. In this case, however, a guide price is proposed instead of an activating price. The amount of aid to be paid to undertakings is set at the difference between this guide price and the world market price.

II. Substance of the provisions

4. As things now stand, the aid granted for peas and field beans to be used processed or unprocessed in animal feed is calculated on the basis of an activating price which is set at a level enabling these crops to compete with soya cake in the manufacture of animal feedingstuffs.

The production of peas and field beans for human consumption receives aid based on a guide price with the objective of ensuring fair returns for producers while taking into account the requirements of the Community.

¹ OJ No. L 142, 30.5.1978, p.8

² Doc. 579/77

³ OJ No. L 146, 12.6.1980, p.3

⁴ OJ No. L 162, 12.6.1982, p.28

Aid is granted only to operators using the said products who satisfy the conditions necessary to qualify for aid and guarantee that the producer has received not less than the minimum price.

This minimum price is fixed at the same time as the activating price and the guide price.

5. The detailed rules for the application of Directive No. 1431/82 were laid down in Regulation No. 2192/82 of 6.8.1982¹.

6. At the end of 1981 the Council requested the European Parliament to deliver an opinion on a proposal (COM(81) 683 final) establishing a system of monetary adjustment for the production of peas and field beans.

The absence of monetary compensatory amounts in this sector means that the processing industries of Member States with a strong currency enjoy an advantage over those of other Member States to the extent that the former can obtain supplies on better terms in Member States where the minimum price, converted into national currency, is the lowest.

The European Parliament approved this proposal in the report drawn up by Mr Newton Dunn (Doc. 1-1092/81)².

The Council has not yet succeeded in agreeing on this proposal, since certain Member States do not wish to relinquish their present advantage.

III. Substance of the proposal

7. The Commission takes the view that a mistake was made in granting all aid on the basis of an activating price for peas and field beans used in animal feedingstuffs.

The aid granted for products intended for consumption unprocessed by certain animals, for example pigeons, has turned out to be too high. For these products are not supposed to compete with other proteins available on the market such as soya cake but only with identical unprocessed products imported from third countries.

As a result, excessive aid is granted at present, which severely handicaps the importation of these products.

¹ OJ No. L 233, 7.8.1982, p.5

² OJ No. C 125, 17.5.1982

8. If the objective is to achieve equilibrium between internal production and imports in order to cover the needs of the Community, reference should be made to Article 2, paragraph 3 of Regulation No. 1431/82. The purport of this paragraph is consistent with the Commission's arguments in favour of applying a guide price instead of an activating price in respect of unprocessed peas and field beans to be used in animal feedingstuffs.

9. The Commission estimates at 25,000 tonnes the consumption of unprocessed peas and field beans used in animal feedingstuffs. In 1981/82 the total quantity used for animal feedingstuffs was 353,000 tonnes¹. The reduction in aid is estimated at 50 ECU per tonne, which means that the total saving for the Community will amount to 1.25 million ECU per year.

IV. Conclusion

10. The Committee on Agriculture considers it necessary to avoid the granting of aid which distorts the balance between internal production and imports.

Since the proposed amendment is not detrimental to producers, for whom the minimum price system remains unaffected, the committee can agree to the proposal, especially since it results in a saving for the Community budget.

The Committee on Agriculture wishes to take this opportunity to urge the Council to adopt without delay the proposal to include a system of monetary adjustment in Regulation 1431/82 laying down special measures for peas and field beans.

¹ The Agricultural Situation in the Community, 1982 report, p. 356

