

# Common agricultural policy (CAP): single common market organisation

2008/0104(CNS) - 07/10/2008

The Committee on Agriculture and Rural Development adopted a report drafted by Luis Manuel **CAPOULAS SANTOS** (PES, PT), and amended the proposal for a Council regulation on modifications to the common agricultural policy by amending Regulations (EC) No 320/2006, (EC) No 1234/2007, (EC) No 3/2008 and (EC) No [...]/2008.

The main amendments – adopted in the framework of the consultation procedure – are as follows:

**Cereals and rice:** the cereals and rice intervention should not be changed but maintained as a safety net.

**Butter:** Members stressed that butter is the most sensitive surplus product, and the one for which the maintenance of intervention tools is the most important. Accordingly, they want to improve on the Commission's proposal by maintaining the compulsory nature of private storage aid, and butter disposal aids, while accepting simplification of these schemes as they are extremely complicated to manage.

**Cheese:** the committee feel it necessary to maintain Article 36 of Regulation No 1234/2007 granting private storage aid for cheese as price and stock trends for cheeses covered by Article 31(1)(e) show signs of a serious market imbalance, which could be reduced or smoothed out by seasonal storage.

**Animal diseases:** the Commission wanted to delete Article 44 of Regulation (EC) No 1234/2007 and justified this deletion by introducing a mutual fund in the event of animal or plant diseases. Members feel it necessary to maintain Article 44 as a precautionary measure, since it has been effective in devastating crisis situations, such as the outbreak of foot and mouth disease in 2001.

**Milk sector:** Members introduced a new clause stating that Member States may apply for temporary quota increases based on underutilisation of milk quota in other Member States, on the condition that they can prove that their dairy market is not likely to enjoy a soft landing under the basic rules. All the revenue deriving from the payment of the additional levy to the Union and the appropriations saved from the agricultural budget should be paid into the milk fund so that flanking measures can be implemented in the milk sector. Before 31 December 2010 to the European Parliament and Council on the state of the milk market. The report must also analyse the effectiveness of the Member States' management systems in relation to the liberalisation of the quota scheme. Where appropriate the report shall be accompanied by suitable proposals.

**Flax:** Members state that the amount of processing aid shall be fixed:(a) for long flax fibre: EUR 160 for the 2009/10 to 2012/13 marketing years;(b) for short flax fibre and hemp fibre containing not more than 7.5% impurities and shives: EUR 90 per tonne for the 2009/10 to 2012/13 marketing years. However, the Member State may, with reference to traditional outlets, also decide to grant aid: (a) for short flax fibre containing a percentage of impurities and shives of between 7.5% and 15%; (b) for hemp fibre containing a percentage of impurities and shives of between 7.5% and 25%. A maximum guaranteed quantity of 147 265 tonnes for each of the marketing years 2009/10 to 2012/13 shall be established for short flax fibre and hemp fibre in respect of which aid may be granted.

**Aid for the purchase of cream, butter and concentrated butter at reduced prices:** an amendment stipulates that under conditions to be determined by the Commission, when surpluses of milk products build up or are likely to occur, the Commission may decide that aid shall be granted to enable cream,

butter and concentrated butter to be purchased at reduced prices by: (a) manufactures of pastry products and ice-cream; (b) manufacturers of other foodstuffs to be determined by the Commission.

**Interbranch organisations:** interbranch organisations may act to promote, inter alia, preventive risk management, research and development, information on, and promotion of, products and branches, market analysis and information, and measures of contractualisation.

**Sugar:** Members propose to extend until 2013/14 the current Community aid scheme for producers of sugar-beet and sugar-cane, for those Member States that have granted restructuring aid under Article 3 of Regulation (EC) No 320/2006 for at least 50 % of the sugar quota laid down on 20 February 2006 in Annex III to Regulation (EC) No 318/2006, without the upper limit of five years, to deal with the needs for adjustment following restructuring.