


# Procedure file

Basic information		
CNS - Consultation procedure Regulation	<a href="#">1996/0080(CNS)</a>	Procedure lapsed or withdrawn
Bananas: common organisation of the market COM		
Subject 3.10.06.01 Fruit, citrus fruits		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>AGRI</b> Agriculture and Rural Development		16/04/1996
		UPE <a href="#">SANTINI Giacomo</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>BUDG</b> Budgets		
	<b>DEVE</b> Development and Cooperation		25/04/1996
		PPE <a href="#">FERNÁNDEZ MARTÍN Fernando</a>	
Council of the European Union			

Key events			
06/03/1996	Legislative proposal published	COM(1996)0082	Summary
18/04/1996	Committee referral announced in Parliament		
29/10/1996	Vote in committee		Summary
29/10/1996	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0337/1996</a>	
13/12/1996	Debate in Parliament		
13/12/1996	Decision by Parliament	T4-0704/1996	Summary
03/02/1997	Vote in committee		Summary
18/02/1997	Decision by Parliament	T4-0037/1997	Summary
17/12/1998	End of procedure in Parliament		
17/12/1998	Additional information		Summary

Technical information

Procedure reference	1996/0080(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC before Amsterdam E 043
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	AGRI/4/07791

### Documentation gateway

Legislative proposal	<a href="#">COM(1996)0082</a> <a href="#">OJ C 121 25.04.1996, p. 0015</a>	06/03/1996	EC	Summary
Economic and Social Committee: opinion, report	<a href="#">CES0704/1996</a> <a href="#">OJ C 212 22.07.1996, p. 0074</a>	30/05/1996	ESC	Summary
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0337/1996</a> <a href="#">OJ C 362 02.12.1996, p. 0005</a>	29/10/1996	EP	
Text adopted by Parliament, partial vote at 1st reading/single reading	T4-0704/1996 <a href="#">OJ C 020 20.01.1997, p. 0368-0393</a>	13/12/1996	EP	Summary
Text adopted by Parliament, 1st reading/single reading	T4-0037/1997 <a href="#">OJ C 085 17.03.1997, p. 0019-0032</a>	18/02/1997	EP	Summary

### Additional information

European Commission	<a href="#">EUR-Lex</a>
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## Bananas: common organisation of the market COM

OBJECTIVE: modification of the common organization of the market in bananas (Regulation 404/93/EEC) in order to create a sustainable equilibrium between the different interests involved, notably as regards tariff quotas for the importation of bananas, whilst maintaining the principle objectives of the regime. SUBSTANCE: Regulation 404/93/EEC on the common organization of the market in bananas provides for a share out of the tariff quota opened in each year for the importation of third-country and non-traditional ACP bananas in 3 categories (A, B and C). The implementation of the arrangements provided for in the regulation for the importation of non-traditional ACP bananas (90 000 tonnes of bananas imported duty free) creates a relative disadvantage for the latter with regard to third-country imports (both categories are governed by the same rules, including the requirement for operators to present a tariff quota import licence). As a result, the proposal provides for separate treatment of non-traditional ACP imports and imports from third countries, whilst maintaining the distinction between traditional and non-traditional ACP quantities. At the same time, in order to take account of enlargement and of the consequent modification to the supply to the three new Member States (which to date obtained their supplies exclusively from the dollar zone), the proposal raises the quota tariff provided for in the regulation whilst maintaining the same level of protection and advantages to ACP and Community suppliers of bananas. The proposed text thus provides for a readjustment of the quota shareout among operators of each category in order to maintain the equilibrium between the three categories of operators: 70.5% for category A operator and 26% for category B, leaving the 3.5% for category C unchanged. However, as far as the last category is concerned, past experience has shown that the current system (quota allocations based on past trade) limited the scope for the development of trade. The proposal therefore includes the creation of a mechanism whereby those category C operators who have traded for a minimum of 3 years, and who fulfil appropriate criteria (including having marketed a minimum volume of bananas) can transfer to category A. Finally, in order to alleviate the hardship suffered in certain cases where, due to exceptional circumstances, an operator may have been subject to genuine difficulties in marketing bananas, the proposal contains a provision to permit the extension of an operator's reference period backwards by 2 years if his reference quantity falls significantly below its habitual level. ?

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The Committee considers that the Commission has made a considerable effort to accommodate all interests in the Community banana regime, but thinks this should not jeopardize the system's effectiveness in achieving its fundamental objectives. It welcomes certain provisions, but considers that the Commission should encourage the adoption of appropriate provisions to take account of the special case of production in Somalia and review the increase of 353,000 tonnes in the tariff quota intended to take account of consumption in the three new Member States. It also regards the reduction in the tariff quota allocated to Category B operators as unjustified. ?

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Non-binding amendments seeking to prevent multinationals gaining a monopoly of the common organization of the market (COM) in bananas were tabled in a report by Giacomo SANTINI (UPE, I) for the Committee (Chairman: Christian JACOB, UPE, F) adopted under the consultation procedure. The Commission proposal is not too far from the EP's position, according to Mr SANTINI, but the amendments should go some way towards helping a market which he considers multinationals are trying to dominate. The banana COM was introduced in July 1993 (Reg 404/93) by the Community of Twelve to establish a balanced and flexible market organization replacing the various national schemes. It now needs to be brought into line with the needs of an EU of fifteen Member States. EU banana suppliers are: - countries in Latin America - the dollar zone; - traditional ACP suppliers (including Somalia), - EU territories such as, Martinique, the Canaries, Madeira and Crete. Bananas from non-member countries are subject to a tariff quota and import levy. EU banana producers also receive compensatory aid. The report's main proposals are: - a tariff quota should be opened each year for imports of bananas from non-member countries and non-traditional ACP suppliers, with 90 000 tonnes of quota reserved for non-traditional ACP bananas. The Commission proposes a quota of 2 235 000 tonnes and the Agriculture Committee wants it raised by 65 000 tonnes to 2.3 million. - a new breakdown of the tariff quota for non-member countries: . bananas from non-member countries (category A operators) - the Commission proposes 70.5%, the Agriculture Committee 66.5%, . EU bananas and/or traditional ACP bananas (category B), the Commission proposes 26%, the Agriculture Committee 30%, . category C operators (EU importers of bananas from non-member countries operating since 1 January 1992) have been allocated 3.5% by the Commission; this figure is unchanged. - category C importers are authorized to transfer to category A; it would be unreasonable to prevent operators who have joined the market since 1 January 1992 from expanding and increasing their market share. - introduction of a scheme to compensate operators for exceptional circumstances which have led to a fall in their reference quantity. To ensure greater openness, the Agriculture Committee does not want the Commission alone to determine what constitute 'exceptional' or 'unforeseen' circumstances'; it therefore proposes that Somalia should benefit from the scheme.?

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Parliament decided to refer back to the Committee on Agriculture the report by Mr Giacomo SANTINI (UPE, I) concerning the amendment to the common organization of the market in bananas, following the refusal by the Commission to agree to reduce the tariff quota for imports of third-country bananas from 2 553 000 tonnes to 2 300 000 tonnes while maintaining the current allocation of 66.5% for third countries and 30% for operators marketing Community bananas and/or importing traditional ACP bananas. Parliament also called on the Commission to ensure by appropriate measures (preferably by opening a specific quota) that small-scale producers who behave in an exemplary fashion from the ecological and social point of view (fair trade producers) obtain improved access to the European market. ?

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The committee (chairman: Mr Arlindo CUNHA (PPE, P)) adopted the three compromise amendments on the COM in bananas drawn up by the rapporteur Mr Giacomo SANTINI (UPE, I) following his meetings with Commissioner Franz FISCHLER. The legislative resolution was not put to the vote during the plenary sitting in December 1996 because of the refusal of Commissioner FISCHLER to accept the European Parliament's amendments and the report was therefore referred back to committee. The committee calls in its compromise amendments for the establishment of a mechanism to remedy loss suffered by an operator (e.g. reduction of his reference quantity) in the event of "force majeure" and not because of "exceptional circumstances". In the interests of greater transparency, the committee defined the concept of "force majeure" as "serious internal political, economic, social or institutional crisis, endemic civil war and/or the lack of a government". It proposed that Somalia benefit from the scheme. The European Commission, for its part, has already submitted proposals to guarantee supplies to the market and interested operators if, for reasons of force majeure, there are problems importing ACP bananas. It also makes provision for the quota to be redistributed between other suppliers if an ACP state is unable to supply the quantity allocated to it for reasons which cannot be ascribed to force majeure. In the final compromise amendment, the committee insisted that small producers who operate under conditions constituting an outstanding model from the ecological and social point of view ("fair trade" producers) should be given greater access to the Union market by means of appropriate information and promotion measures.?

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The European Parliament adopted this proposal for a regulation with the amendments adopted at the sitting of 13 December 1996 and the compromise amendments drawn up by the rapporteur, Mr Giacomo SANTINI (UPE, I), following his meetings with Commissioner Franz FISCHLER. It should be noted that during the plenary sitting of 13 December 1996 the legislative resolution was not put to the vote because of the refusal of Commissioner FISCHLER to accept the European Parliament's amendments. The report was therefore referred back to committee. Parliament proposed a tariff quota of 2 300 000 tonnes of bananas from third country and non-traditional ACP countries in order to meet demand following the accession of Austria, Finland and Sweden (the Commission provided for a total volume of 2 553 000 tonnes) and maintained the current division of this quota between operators who marketed third country and/or non traditional ACP bananas (66.5%), operators who marketed Community and traditional ACP bananas (30%) and new operators (3.5%). It also called for (compromise amendment) the establishment of a mechanism to remedy loss suffered by an operator (e.g. reduction of his reference quantity) in the event of force majeure and not because of exceptional circumstances (the concept of force majeure is understood as serious internal political, economic, social or institutional crisis, endemic civil war and/or the lack of a government). One amendment also stressed that small producers who operate under conditions constituting an outstanding model from the ecological and social point of view (fair trade producers) should be given greater access to the Union market by means of appropriate information and promotion measures (compromise amendment). ?

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This proposal was withdrawn by the Commission because it was no longer considered to be of relevance. ?

