


# Procedure file

| Basic information   |                     |
|---|---------------------|
| COS - Procedure on a strategy paper (historic) <a href="#">1996/2275(COS)</a> | Procedure completed |
| The agri-monetary system for the single market, 1 July 1995 to 30 June 1996   |                     |
| Subject<br>3.10.12 Agrimonetary policy, compensatory amounts                  |                     |

| Key players                   |   |   |            |
|-------------------------------|---|---|------------|
| European Parliament           | Committee responsible                         | Rapporteur                                    | Appointed  |
|                               | <b>AGRI</b> Agriculture and Rural Development |   | 19/03/1997 |
|                               |   | PSE <a href="#">HALLAM David John Alfred</a>  |            |
| Council of the European Union | Committee for opinion                         | Rapporteur for opinion                        | Appointed  |
|                               | <b>BUDG</b> Budgets                           |   |            |
|                               | <b>CONT</b> Budgetary Control                 | The committee decided not to give an opinion. |            |

| Key events |  |   |         |
|------------|--|---|---------|
| 06/12/1996 | Non-legislative basic document published   | COM(1996)0636   | Summary |
| 29/01/1997 | Committee referral announced in Parliament |   |         |
| 02/09/1997 | Vote in committee                          |   | Summary |
| 02/09/1997 | Committee report tabled for plenary        | <a href="#">A4-0261/1997</a>  |         |
| 19/09/1997 | Debate in Parliament                       |  |         |
| 19/09/1997 | Decision by Parliament                     | T4-0467/1997  | Summary |
| 19/09/1997 | End of procedure in Parliament             |   |         |
| 06/10/1997 | Final act published in Official Journal    |   |         |

| Technical information |  |
|-----------------------|--|
| Procedure reference   | 1996/2275(COS)                                 |
| Procedure type        | COS - Procedure on a strategy paper (historic) |
| Procedure subtype     | Commission strategy paper                      |
|                       |  |

|                            |                           |
|----------------------------|---------------------------|
| Legal basis                | Rules of Procedure EP 142 |
| Stage reached in procedure | Procedure completed       |
| Committee dossier          | AGRI/4/08511              |

## Documentation gateway

|   |  |  |            |    |         |
|---|--|--|------------|----|---------|
| Non-legislative basic document                      |  | COM(1996)0636  | 06/12/1996 | EC | Summary |
| Committee report tabled for plenary, single reading |  | <a href="#">A4-0261/1997</a><br><a href="#">OJ C 304 06.10.1997, p. 0007</a> | 02/09/1997 | EP |         |
| Text adopted by Parliament, single reading          |  | T4-0467/1997<br><a href="#">OJ C 304 06.10.1997, p. 0169-0176</a>            | 19/09/1997 | EP | Summary |

## The agri-monetary system for the single market, 1 July 1995 to 30 June 1996

OBJECTIVE: presentation of the report to the Council of the European Union on the agri-monetary system for the single market (period from 1 July 1995 to 30 June 1996). SUBSTANCE: this Commission report has been drawn up pursuant to the commitment entered into at the Agriculture Council of 19 to 22 June 1995 'to draw up a report each year analysing the consequences for the common agricultural policy and the single market of monetary fluctuations and the agri-monetary system in force, accompanied by proposals for appropriate remedies to the problems that might ensue'. Parts A and B describe the currency and agri-monetary developments of the period 1995/1996 including the granting of compensatory aid. Part C is an approach to the economic consequences at the level of agricultural markets and farm incomes. Part D assesses the effects of the agri-monetary system on Community expenditure; the impact is estimated on the basis of the 1996 budget in the course of execution and the preliminary draft budget for 1997 as it stood at 30 June 1996. The basic data for this report are presented in tables and graphs appearing in a Commission staff working paper. ?

## The agri-monetary system for the single market, 1 July 1995 to 30 June 1996

The Commission has produced a report on the agri-monetary system between 1 July 1995 and 30 June 1996. This report is partly in response to a demand by Parliament that it be kept up to date on developments in this area. The report includes information on the granting of compensatory aid, an assessment of the economic and financial impact, and makes proposals for the future of the system. It concludes that essentially there should at present be no basic change in current arrangements in the light of the advent of EMU and the effects of enlargement on the CAP. On behalf of the committee, David Hallam (Herefordshire and Shropshire, PES) broadly agrees with the Commission's conclusions. However he does consider that the opportunity exists to examine the fundamental principles which should underlie the agri-monetary system. He wants it to have simplified rules and for changes to be restricted to appreciable currency devaluations and revaluations. Mr Hallam also notes that proposals for a reform of the agri-monetary system will have to be made in 1998; he wants it in future to act as a safety net when currencies get too far out of line with a ceiling and a floor within a band of plus or minus 5% of an agreed reference point. Finally he wants the agri-monetary system to aim to be self-financing in the long run since amounts paid to farmers in countries that are revaluing should be balanced by savings made from amounts paid to farmers who are receiving more in local currency due to devaluations. ?

## The agri-monetary system for the single market, 1 July 1995 to 30 June 1996

In adopting the report by Mr David HALLAM (PSE, UK), Parliament agreed with the Commission that it was premature to submit a proposal for a Council regulation to adapt the agri-monetary arrangements, because of the uncertainties which existed concerning economic and monetary union, the accession of new Member States and further reform of the CAP in the context of Agenda 2000. It believed, however, that continued effort should be made to simplify the rules of the system, without compromising the system as a whole, and it called, in particular, for the 'green rate' to be used as the sole rate for all trade. Parliament noted that proposals for a reform of the system would have to be submitted in 1998 and considered that a security net should be established in case currencies got too far out of line. It suggested that a ceiling and a floor exist within a band of 5% of an agreed reference point, in order to prevent too much disturbance of markets or incomes caused by currency fluctuations. It suggested that, in the long run, the agri-monetary system could be self-financing, although it recognized that there would still be a need for complement any payments. ?