

Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1997/2009(COS)	Procedure completed
Raw tobacco: common organisation of the market COM		
Subject 3.10.06.09 Industrial plants, tobacco, hops		

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	AGRI Agriculture and Rural Development		28/01/1997	
		UPE ROSADO FERNANDES Raúl Miguel		
	Committee for opinion	Rapporteur for opinion	Appointed	
	BUDG Budgets		26/02/1997	
		PSE WYNN Terence		
	REGI Regional Policy		08/04/1997	
		PPE FERNÁNDEZ MARTÍN Fernando		
	ENVI Environment, Public Health and Consumer Protection		21/05/1997	
		PSE COLLINS Kenneth D.		
	CONT Budgetary Control		18/03/1997	
		PPE GARRIGA POLLEDO Salvador		
Council of the European Union	Council configuration	Meeting	Date	
	Agriculture and Fisheries	1988	17/02/1997	
	Agriculture and Fisheries	1985	20/01/1997	

Key events			
18/12/1996	Non-legislative basic document published	COM(1996)0554	Summary
20/01/1997	Debate in Council	1985	
17/02/1997	Debate in Council	1988	
17/02/1997	Committee referral announced in Parliament		
18/06/1997	Vote in committee		Summary
18/06/1997	Committee report tabled for plenary	A4-0214/1997	

17/07/1997	Debate in Parliament		
17/07/1997	Decision by Parliament	T4-0391/1997	Summary
17/07/1997	End of procedure in Parliament		
22/09/1997	Final act published in Official Journal		

Technical information

Procedure reference	1997/2009(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/4/08558

Documentation gateway

Non-legislative basic document		COM(1996)0554	18/12/1996	EC	Summary
Committee report tabled for plenary, single reading		A4-0214/1997 OJ C 222 21.07.1997, p. 0003	18/06/1997	EP	
Text adopted by Parliament, single reading		T4-0391/1997 OJ C 286 22.09.1997, p. 0181-0237	17/07/1997	EP	Summary

Raw tobacco: common organisation of the market COM

OBJECTIVE: The Commission's report makes a number of proposals concerning future support measures for the tobacco industry.

SUBSTANCE: The Commission considers that tobacco production is an activity in itself, fully comparable to other agricultural activities. It stresses that tobacco producers are to be found mostly in less-favoured regions where there are few alternatives to traditional occupations, and recalls that the *raison d'être* of the organization of the market is to support farmers, not to promote tobacco consumption. It nonetheless recognizes that tobacco consumption has harmful consequences for human health and that the Community aid to the sector is unfavourably perceived by certain sectors of public opinion and in some political milieux. In this context, the Commission has felt obliged to choose between two options: either to phase out support for tobacco production, or to continue it, but with radical changes. The option of disengaging the Community from the tobacco sector has been rejected: it would mean the disappearance of most of the Community's production in the medium term and the obligatory conversion of some 190 000 jobs. The social costs would be high and the effect on tobacco consumption nil. The Commission has therefore chosen to propose reforming the Community's support arrangements for producers. In the context of a continued Community commitment, any new measures should be aimed at encouraging the production of higher-quality tobacco. It is thus suggested that a proportion of the Community aid should vary on the basis of quality, in the context of the market price. This variation in Community aid should be complemented by measures making it easier for producers to leave the sector, e.g. by the buying-up of individual quotas. These reforms, taken together, would result in a higher quality of Community-produced tobacco and reduced exports of low-quality tobacco. The existing control measures, especially those concerning initial processors, should be reinforced. Under the proposed reform, the administration of the sector would be simplified and greater stress would be laid on environmental protection. ?

Raw tobacco: common organisation of the market COM

The Commission was strongly criticized by the Committee, it adopted the report by Miguel ROSADO FERNANDES (UFE, E) on the reform of the common organization of the market in raw tobacco. The rapporteur thought the Commission was trying to reduce or even eradicate this European crop using health as a pretext. Some 30% of the world's tobacco is grown in Europe. The Commission's approach would lead to the big multinationals importing more tobacco into Europe without any financial or social compensation for the agriculture sector, the committee believes. As the European production quota had not been reached, the committee thought that producers should not be forced to give up tobacco growing. Hence the hostility to the Commission's plan to buy up individual quotas from producers who want to leave tobacco farming rather than giving producers' organizations the opportunity to buy with a view to redistributing them to other farmers. The report also opposed the reduction of premiums. Such a reduction would lead to the abandonment of a large number of farms, which play a role in environmental protection and the fight against desertification. The effect would be aggravated in areas where there is no possibility of conversion, especially in the South where unemployment is extremely high. The tobacco industry employs 284 000 people. The Commission's approach will have enormous social, financial and political costs, which can only be met by Structural Fund aid. The Commission bases its changes on the argument that European tobacco is of 'poor quality' although it knows that the definition of quality is left to the big multinationals and that in

many cases the price of this tobacco has quintupled as a result of the effect of supply and demand in a free market. Consequently the committee is calling for the creation of an independent body on which the producers would be represented which would be responsible for quality criteria and arbitration of disputes. The committee is proposing that the 30% reduction in the budget for the sector should be achieved over five years with each country deciding on how this should be done. Furthermore, '2% of aid should be held back for the promotion of research into raw tobacco with the aim of countering its harmful effects' and 'incentives and financial assistance should be provided for research and experiments with a view to obtaining tobacco varieties which are low in nicotine and tar'. ?

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In adopting the report by Mr Raul Miguel ROSADO FERNANDES (UPE, P) by 216 votes to 131 with 6 abstentions, the European Parliament declared that the preservation of jobs must be regarded as the basic premise and requirement for any measures envisaged under the new rules. It rejected the idea that the price of tobacco in the Community was extremely low due to its poor quality, and called for an inter-professional institution to be set up to monitor quality and settle classification disputes. - Aids: Parliament called for effective support for producers' groups and for funding to be provided for part of their running costs. The proposed modulation of aid in relation to product quality should be determined, in each producing country, at a rate which should reach 40% within a period of no more than five years, - Premiums: Parliament opposed the reduction of premiums, which would have an adverse impact on growers' incomes, leading to the abandonment of many holdings. It called for premiums for producers in northern Europe to be reduced to pre-1993 reform levels; - Quotas: Parliament called for the quotas of farmers in the various producer Member States who wished to give up production to be taken up by producers' organizations and distributed to other, preferably young farmers in less-favoured regions. Parliament hoped that the Commission would distribute the quotas of farmers wishing to give up production to traditional regions and producers and to a national reserve which would be set up consisting of 5-6% of the Maximum Guaranteed Quantity of each Member State to enable production rights to be granted to young farmers. It called for provision to be made for production rights to be transferred from one group of varieties to another within the same marketing period, and for production rights to be transferred from one producers' group to another within the same marketing period provided there was no change as regards the group of varieties. It believed that the scheme whereby the Commission bought back production quotas from farmers who intended to abandon production must be applied only with the approval of the Member State concerned; - Supervision: Parliament called on the Commission to provide guarantees that tobacco-producing countries would be required to set up the supervisory agencies rapidly; otherwise, payments to these States would be affected immediately. It called for a thorough study of the scope for tobacco-producers to switch to alternative crops or activities which would bring in equivalent income; - Research: Parliament called on the Commission to provide information about the activities of the Tobacco Research and Information Fund before there was any increase in the resources made available to it. Parliament called for financial aid to be granted to carry out research and experiments with the aim of obtaining tobacco varieties containing low levels of nicotine, heavy metals and tars. Lastly, Parliament called on the Commission to provide technical assistance and pay compensatory aid to growers who helped to preserve the environment. ?