

Procedure file

Basic information		
CNS - Consultation procedure Regulation	2000/0250(CNS)	Procedure completed
Common organisation of the markets in the sugar sector		
Repealing Regulation (EC) No 2038/1999 1998/0370(CNS) Repealed by 2005/0118(CNS)		
Subject 3.10.03 Marketing and trade of agricultural products and livestock 3.10.06.07 Sugar		

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	AGRI Agriculture and Rural Development		10/10/2000	
		PPE-DE DAUL Joseph		
	Committee for opinion	Rapporteur for opinion	Appointed	
	BUDG Budgets		23/11/2000	
		ELDR MULDER Jan		
Council of the European Union	ITRE Industry, External Trade, Research, Energy		23/11/2000	
		PSE GILL Neena		
	Council configuration	Meeting	Date	
	Agriculture and Fisheries	2360	19/06/2001	
	Agriculture and Fisheries	2348	22/05/2001	
	Agriculture and Fisheries	2343	24/04/2001	
Agriculture and Fisheries	2339	19/03/2001		
Agriculture and Fisheries	2332	26/02/2001		
Agriculture and Fisheries	2322	19/12/2000		
Agriculture and Fisheries	2300	23/10/2000		
European Commission	Commission DG Agriculture and Rural Development	Commissioner		

Key events			
04/10/2000	Legislative proposal published	COM(2000)0604	Summary
23/10/2000	Debate in Council	2300	
27/10/2000	Committee referral announced in Parliament		

19/12/2000	Debate in Council	2322	Summary
26/02/2001	Debate in Council	2332	Summary
27/02/2001	Vote in committee		Summary
27/02/2001	Committee report tabled for plenary, 1st reading/single reading	A5-0081/2001	
12/03/2001	Debate in Parliament		
13/03/2001	Decision by Parliament	T5-0121/2001	Summary
19/03/2001	Debate in Council	2339	Summary
24/04/2001	Debate in Council	2343	
19/06/2001	Act adopted by Council after consultation of Parliament		
19/06/2001	End of procedure in Parliament		
30/06/2001	Final act published in Official Journal		

Technical information

Procedure reference	2000/0250(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
	Repealing Regulation (EC) No 2038/1999 1998/0370(CNS) Repealed by 2005/0118(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 036; EC Treaty (after Amsterdam) EC 037
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/5/13895

Documentation gateway

Legislative proposal		COM(2000)0604 OJ C 029 30.01.2001, p. 0315 E	04/10/2000	EC	Summary
Court of Auditors: opinion, report		RCC0020/2000 OJ C 050 15.02.2001, p. 0001-0030	26/10/2000	CofA	
Economic and Social Committee: opinion, report		CES1449/2000 OJ C 116 20.04.2001, p. 0113	30/11/2000	ESC	
Committee report tabled for plenary, 1st reading/single reading		A5-0081/2001	27/02/2001	EP	
Text adopted by Parliament, 1st reading/single reading		T5-0121/2001 OJ C 343 05.12.2001, p. 0021-0067	13/03/2001	EP	Summary
Implementing legislative act		32005R2121 OJ L 340 23.12.2005, p. 0024-0024	22/12/2005	EU	Summary

Additional information

Final act

[Regulation 2001/1260](#)

[OJ L 178 30.06.2001, p. 0001](#) Summary

Common organisation of the markets in the sugar sector

PURPOSE : to present a proposal to modify the common organisation of the market in the sugar sector. **CONTENT** : the common organisation of the market in sugar is governed by Regulation 2038/1993/EC. Its essential features are rules on prices, quotas, trade with third countries and self-financing. The present sugar regime is applicable until 1 July 2001. A decision by the Council following Parliament opinion is required by 31 December 2000. The main aim is to overhaul the sugar regime. The Commission has agreed on an option which aims to continue the present regime and modify it slightly. Faced with challenges like the overproduction and strict WTO-limits for subsidised exports, the Commission proposes to permanently cut the production quota by 115 000 tonnes per year, to abolish the reimbursement of storage costs to producers and to simplify the market organisation by recasting the rules and repealing outdated provisions. The quota regime, the producers' contribution to financing export refunds and the special preferential import regime for sugar from ACP countries and India would be continued ad interim until the marketing year 2002/03. The Commission would then - on the basis of studies and in light of the budgetary situation look into the possibility of a more fundamental change. Among the alternatives examined by the Commission, the option of an interim continuation of the present regime to 2002/03 with some modifications was, as stated, considered the most appropriate. Under this option: - prices would remain unchanged for the next two years; - quotas would be reduced by 115 000 t corresponding to 50% of the structural surplus taking into account production, consumption, imports and WTO export limits; - the flexibility of the present regime would be maintained in the form of the annual exercise of additional quota reduction to respect the WTO limit in the light of prevailing world market prices, allowing for developments internally as well as externally; - the storage levy/refund system would be abolished entailing a reduction in annual EAGGF expenditure of EUR 300 million; - minimum stocks would be abolished; - production refunds for chemical industry to be fully covered by production levies. Finally, these studies together with developments in the WTO negotiations, the budgetary situation for the CAP and the review of the other arable crops regimes will provide a good basis for the future sugar regime from 2003/04 onwards. ?

Common organisation of the markets in the sugar sector

Following a detailed examination, the Presidency noted that a qualified majority of delegations was in favour of extending the present sugar regime for five marketing years (2001/2002 to 2005/2006), with a number of changes resulting from the day's discussions on the basis of the documents submitted by the Presidency; agreed that the proceedings should be finalised later, once the European Parliament had delivered its Opinion, on the basis of the majority approach described above; took the view that the proposal for the least-developed countries (LDC) should be re-examined as regards the sugar sector to bring it into line with that approach. The Commission upheld its proposal, on which the Opinion of the European Parliament is awaited. ?

Common organisation of the markets in the sugar sector

The Council notes that the conclusions of the Court of Auditors and of the Commission diverge very appreciably on fundamental points, in particular on aspects such as the economic cost, the actual existence of the structural surplus and the treatment of ACP volumes. It also notes that the Court of Auditors recognises that some of the objectives of the CAP and the CMO for sugar have been achieved. The Council makes the following recommendations: - the Commission should draw up detailed studies to assess the cost of the CMO for sugar so as to inform the Council of the requirements of this sector. These studies, the first of which should be available at the beginning of 2001, will have to take account of the impact of concessions to the LDCs on the sugar market; - future proposals on the reform of the sector should include comparative analyses of the various conceivable economic options; - the Commission should endeavour to improve the collection and processing of data, particularly those intended for calculating cost prices and for setting sugar production levies; - the Commission will have to ensure that the rules of free competition are applied to a greater extent in the management of the CMO for sugar. ?

Common organisation of the markets in the sugar sector

The committee adopted the report by Joseph DAUL (EPP-ED, F) amending the proposal under the consultation procedure. The committee essentially sought to reinstate the existing rules, arguing that the existing system, which would expire on 30 June 2001, had worked satisfactorily for over 30 years and should be extended, unchanged, until 2006, as agreed at the Berlin Summit in 1999. It felt that the proposals to cut the production quota by 115,000 tonnes a year and abolish the reimbursement of storage costs were unjustified and that to introduce these changes for two years and then propose further, drastic changes in 2003, when the Commission reviewed the cereals, oilseeds and dairy sectors, would be hugely disruptive to producers and the processing industry and would not benefit consumers. Thorough studies were needed before any changes were considered in 2006. The committee also objected that the proposals would undermine the EU's commitments to its ACP and Indian sugar producers, and stipulated that any new preferential agreements with third countries should be made consistent with those commitments. It also pointed out in this context that the costs stemming from preferential import schemes should be charged to the correct budget, i.e. the development aid budget and not the EAGGF. ?

Common organisation of the markets in the sugar sector

The European Parliament adopted the report by Mr Joseph Daul (EPP/ED, F) by 349 votes in favour of and 125 against, with 29 abstentions, to heavily amend Commission plans to begin reforming the European Community's sugar market regime this year and to propose more radical reforms on the common organisation of the markets in the sugar sector. (Please refer to the previous text). Moreover, amendments were also adopted calling for a transition period before duty-free sugar imports from the world's poorest countries are allowed into the EU and for an assessment of the financial implications of these imports. Lastly, Agriculture Commissioner Fischler told the House that he would now be prepared to accept a rollover of the common market organisation for longer than two year's provided Parliament accepted his other reform proposals.?

Common organisation of the markets in the sugar sector

The need for early adoption of the proposal on the Common Market Organisation (CMO) on sugar as soon as possible has been brought to the attention of the Council by the Commission. It was stated that if the proposal was not adopted by 30 June 2001 the latest, a legal gap would occur regarding the quota system of the sugar regime. Therefore, the Council is called upon to take a swift decision in order to avoid this legal gap. ?

Common organisation of the markets in the sugar sector

PURPOSE : to reform the sugar CMO on the basis of the experience gained, by taking account o the financial framework decided on in Berlin, the new negotiations within the WTO on agriculture and the future enlargement of the Union. **COMMUNITY MEASURE** : Council Regulation 1260/2001/EC on the common organisation of the markets in the sugar sector. **CONTENT** : the sugar regime will apply as from 1 July 2001 and will have a duration of 5 years; - on the basis of Commission studies on the market situation, all aspects of the quota system, prices, interprofessional relations and an analysis of the increased competition resulting from the EU's international commitments, the Commission will present a report at the start of 2003; - for Southern Italy, for Spain with regard to sugar cane production and for the mainland territory of Portugal, national aids shall be maintained at the same level and under the same conditions reached for the 2000/01 marketing year; - because of its specific climactic conditions, Finland is authorised to introduce a nationally funded storage equalisation scheme restricted to the carry-over of its C-sugar; - the Commission states its intention to take the necessary provisions to ensure a smooth transition to the new sugar regime under which the storage equalisation scheme is abolished. It will ensure that the sugar that has paid the storage levy up to 30 June 2001, and been marketed after that date, is not penalised as a result of the removal of all storage cost-based elements taken into account at present in the market management instruments; - for the carried over C-sugar, from the marketing year 2000/01 the storage equalisation scheme shall be maintained only until the end of the corresponding compulsory storage period, as a transitional measure and in principle on a degressive basis. The cost of this measure will be covered by the levies paid by the sector under the self-financing mechanism. **ENTRY INTO FORCE** : 01/07/01. The Regulation shall apply from the 2001/2002 marketing year.?

Common organisation of the markets in the sugar sector

[LEGISLATIVE ACT : Commission Regulation 2121/2005/EC amending Regulation 2255/2004/EC as regards its period of application.](#)

CONTENT : where the export refund for sugar is differentiated, Commission Regulation 2255/2004/EC on proof of completion of customs formalities for the import of sugar into third countries as provided for in Article 16 of Regulation 800/1999/EC provides for relaxation of the rules on proof of completion of customs formalities until 31 December 2005. Given that the administrative difficulties that prompted this derogation and their impact on the market persist, application of that Regulation should be prolonged for one year, until 31 December 2006. Regulation 2255/2004/EC should be amended accordingly. This is the aim of the present Regulation.

ENTRY INTO FORCE : 24/12/2005.