

Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) 2009/0138(COD) Regulation</p>	Procedure completed
<p>Outermost regions: specific measures for agriculture Amending Regulation (EC) No 247/2006 2004/0247(CNS)</p> <p>Subject 3.10.03 Marketing and trade of agricultural products and livestock 3.10.05.02 Milk and dairy products 3.10.06.07 Sugar 3.10.06.08 Wine, alcoholic and non-alcoholic beverages 4.70.06 Outlying and outermost regions, overseas countries and territories</p> <p>Geographical area Portugal Spain Réunion</p>	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	AGRI Agriculture and Rural Development	S&D ALVES Luís Paulo	30/09/2009
Council of the European Union	Committee for opinion	Rapporteur for opinion	Appointed
	REGI Regional Development	PPE TEIXEIRA Nuno	04/11/2009
European Commission	Council configuration	Meeting	Date
	Agriculture and Fisheries	3025	29/06/2010
	Commission DG	Commissioner	
	Agriculture and Rural Development	CIOLOȘ Dacian	

Key events			
02/10/2009	Legislative proposal published	COM(2009)0510	Summary
12/11/2009	Committee referral announced in Parliament, 1st reading		
02/12/2009	Additional information		Summary
17/03/2010	Vote in committee, 1st reading		Summary
23/03/2010	Committee report tabled for plenary, 1st reading	A7-0054/2010	
18/05/2010	Results of vote in Parliament		

18/05/2010	Debate in Parliament		
18/05/2010	Decision by Parliament, 1st reading	T7-0170/2010	Summary
29/06/2010	Act adopted by Council after Parliament's 1st reading		
07/07/2010	Final act signed		
07/07/2010	End of procedure in Parliament		
24/07/2010	Final act published in Official Journal		

Technical information

Procedure reference	2009/0138(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EC) No 247/2006 2004/0247(CNS)
Legal basis	Treaty on the Functioning of the EU TFEU 043-p2; Treaty on the Functioning of the EU TFEU 042-p1; Treaty on the Functioning of the EU TFEU 349-p1sub1-as1
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/7/01166

Documentation gateway

Legislative proposal		COM(2009)0510	02/10/2009	EC	Summary
Committee draft report		PE430.443	03/02/2010	EP	
Committee opinion	REGI	PE430.981	24/02/2010	EP	
Amendments tabled in committee		PE439.330	02/03/2010	EP	
Economic and Social Committee: opinion, report		CES0460/2010	17/03/2010	ESC	
Committee report tabled for plenary, 1st reading/single reading		A7-0054/2010	23/03/2010	EP	
Text adopted by Parliament, 1st reading/single reading		T7-0170/2010	18/05/2010	EP	Summary
Commission response to text adopted in plenary		SP(2010)3805	24/06/2010	EC	
Draft final act		00023/2010/LEX	07/07/2010	CSL	

Additional information

National parliaments	IPEX
European Commission	EUR-Lex

Final act

Outermost regions: specific measures for agriculture

PURPOSE: to amend Regulation (EC) No 247/2006 laying down specific measures for agriculture in the outermost regions of the Union.

PROPOSED ACT: Council Regulation.

CONTENT the Council adopted Regulation (EC) No 247/2006 laying down specific measures for agriculture in the outermost regions of the Union. The development in Community legislation and the practical implementation of this Regulation which occurred in the meantime require the amendment of some of its provisions.

The main amendments proposed are as follows :

Sugar: following the reform of the common organisation of the market of sugar, incorporated in the single CMO by Council Regulation (EC) No 1234/2007, it is proposed that Article 5 be updated so that it reflects these new provisions and allows the Azores to integrate raw cane sugar in its forecast supply balance. In previous marketing years, the sugar beet production in the Azores was not sufficient to allow its sugar industry to fulfil their allocated quota and no significant quantities of raw beet sugar were available on the market. This amendment will improve their situation by allowing them to import raw cane sugar (within the limit of the forecast supply balance).

Milk-based preparations : Regulation (EC) No 247/2006 provides for a transitional period during which the Canary Islands may continue to receive supplies of determined quantities of milk-based preparations falling within CN codes 1901 90 99 and 2106 90 92 intended for industrial processing. This transitional period expires on 31 December 2009. The product falling within CN code 1901 90 99 ? skimmed milk powder with vegetable fat ? is a traditional product for the local consumers, including the most deprived, and has been sold in the Canary Islands during the last 40 years. The supply of this product has generated a specific local industry ensuring employment and added value. In the current situation of economic crisis it is proposed to maintain the supply of this specific product and to extend the transitional period set by the Regulation to 31 December 2013. In the light of the experience gained by the Commission, and to ensure that the Community support programmes are implemented effectively and appropriately, it is necessary to remove references in that Regulation to checks and administrative penalties. However, such national measures will continue to be communicated to the Commission in accordance with the Regulation.

Wine: following the wine reform of 2008 and the recent integration of the wine CMO into the single CMO, Article 18 needs to be updated to reflect the new provisions of Council Regulation (EC) No 1234/2007 as amended by Regulation (EC) No 491/2009.

French overseas department of Reunion: despite the recent development of the local milk production in Reunion, the current need for drinking milk consumption on the island is not sufficiently covered. Moreover, the remoteness and insularity of this region do not allow other sources of raw milk. Consequently, it is proposed that the authorisation to produce reconstituted UHT milk from milk powder of Community origin, granted to Madeira by the first subparagraph of Article 19(4) of Regulation (EC) No 247/2006, should be extended to the French overseas department of Reunion.

FINANCIAL IMPLICATIONS : these programs have a high level of execution. As the proposed modifications to Council Regulation (EC) No 247/2006 do not change the annual ceiling amounts for the financing of the specific supply arrangements and of the measures in favour of local production, there is no budgetary impact.

Outermost regions: specific measures for agriculture

The Lisbon Treaty, which entered into force on 1 December 2009, amended the EU's two core treaties, the Treaty on European Union (TEU) and the Treaty establishing the European Community (EC Treaty). The latter was renamed the Treaty on the Functioning of the European Union (TFEU).

These changes had various consequences for many ongoing procedures. First of all, the articles of the TEU and of the old EC Treaty that constitute the legal basis of all the proposals founded on those Treaties were renumbered in accordance with the table of equivalences mentioned in Article 5 of the Lisbon Treaty.

In addition, some proposals underwent a change to their legal basis going beyond a mere change to their numbering, and this resulted in changes to the type of procedure.

The Lisbon Treaty also introduced new concepts of decision-making procedure. The old "codecision procedure" was extended to new areas and renamed the "ordinary legislative procedure". A new "consent procedure" replaced the old "assent procedure". New interinstitutional procedures were also set up for the adoption of certain non-legislative acts, for example the conclusion of some international agreements.

The ongoing proposals concerned by these changes were formally modified by the Commission in a Communication published on 2 December 2009 ([COM\(2009\)0665](#)).

In the case of the proposal for a Council Regulation amending Regulation (EC) No 247/2006 laying down specific measures for agriculture in the outermost regions of the Union, the entry into force of the Lisbon Treaty had the following impacts:

- the old legal basis - Treaty/EC/Art.36, 37, 299(2) ? became Art. 42, Art. 43(2), Art.349 of the TFEU. Please note that the numbering of the old legal basis corresponds to the consolidated version of the Treaty that was applicable immediately before the entry into force of the Lisbon Treaty, and may differ from the references in the original Commission proposal;
- the proposal, which had previously fallen under the old consultation procedure (CNS), was classified as an ordinary legislative procedure (COD).

Outermost regions: specific measures for agriculture

The Committee on Agriculture and Rural Development adopted the report drawn up by Luís Paulo ALVES (S&D, PT) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 247/2006 laying down specific measures for agriculture in the outermost regions of the Union.

It recommended that the European Parliament's position at first reading under the ordinary legislative procedure (formerly known as the codecision procedure) should be to amend the Commission proposal as follows:

Clarification of text: the committee aims at adding clarity to the current regulation on the conditions under which unprocessed and processed products, in the framework of specific supply arrangements, can be exported or dispatched. Furthermore it adjusts the regulation to the realities of the market by mentioning the need for a regular update of the maximum quantities for traditional export and dispatch. The text now states that since the quantities covered by the specific supply arrangements are limited to the supply requirements of the outermost regions, those arrangements do not impair the proper functioning of the internal market. Nor should the economic advantages of the specific supply arrangements provoke diversions of trade in the products concerned. Dispatching or exportation of those products, which have not been processed, from the outermost regions should therefore be prohibited. However, dispatch or exportation of those products should be authorised where the advantage resulting from the specific supply arrangements is reimbursed or, in the case of processed products, to permit regional trade or trade between the two Portuguese outermost regions. Account should also be taken of traditional trade flows with third countries in all the outermost regions, and exports of processed products corresponding to traditional exports for all those regions should accordingly be authorised. Nor should the restriction apply to the traditional dispatching of processed products to the rest of the Union. For the sake of clarity and better adjustment to the evolution of the market, the reference period for defining the maximum quantities for traditional exports or dispatch should be calculated in accordance with this Regulation.

Forecast supply balance: a forecast supply balance shall be drawn up stating the quantity of the agricultural products needed to meet supply requirements each year. A separate forecast balance may be drawn up for the requirements of undertakings packaging and processing products intended for the local market, for traditional consignment to the rest of the Union or for export as part of regional trade or traditional trade flows. In the event that a separate forecast balance is drawn up, the quantities specified shall be updated regularly so as to reflect the market trend described in the text.

Export to third countries and dispatch to the rest of the Community: the committee made some amendments to the conditions of export for products covered by the specific supply arrangements.

Extension of sugar derogation to Azores: Under Regulation (EC) No 247/2006, the Azores are entitled to dispatch, by way of derogation from Article 4(2)(a) of that Regulation, yearly maximum quantities of sugar (CN code 1701) to the rest of the Union. Given that sugar beet production could become a very significant complement to milk production in the Azores, in particular on S. Miguel island, and in view of the uncertain outlook regarding the milk market following the decision to abolish the milk quotas and progressively increase them in the meantime, it is necessary to offer producers and processors an alternative to that system which can guarantee the development of the milk sector in the Azores, as well as long-term complementary agricultural prospects. This will enable economic operators to reach a level of industrial and commercial activities which stabilises the economic and social environment in the Azores. The existing derogation should therefore be extended until 31 December 2019. The amendments state that a maximum quantity of 3 000 tonnes of sugar (CN code 1701) may be dispatched each year from the Azores to the rest of the Union for the period from 1 January 2010 to 31 December 2019.

Removal of deadline for Portuguese vineyards: Regulation (EC) No 247/2006 provides for the gradual elimination, by 31 December 2013, of vineyards planted with prohibited direct-producer hybrid vine varieties in the Azores and Madeira. The committee wants the date of 31 December 2013 to be deleted in order to eliminate the disparity of treatment between the regions of the Azores and Madeira on one hand and the rest of the Union on the other and to allow the continuing conversion of vineyards planted with prohibited vine varieties.

Permanent derogation for certain milk preparations: due to the structural milk deficit of the Canary Islands, skimmed milk powder containing vegetable fat has become a traditional product used by local consumers, especially the most needy, as a substitute for milk. Therefore, the existing derogation should not only be extended but be made permanent. The Commission had recommended extension of the transitional period to 31 December 2013.

Extension of milk measures to Guadeloupe, French Guiana and Martinique: a new recital states that because of the limited nature of their local markets and because of their conditions of production, which entail substantial additional costs, Guadeloupe, French Guiana and Martinique have been unable to develop dairy sectors meeting local needs. The development of the dairy sector in Madeira, brought about by means of milk reconstituted from milk powder, could serve as a development model for that sector in outermost regions sharing common characteristics. The waiver granted to Madeira under Regulation (EC) No 247/2006 should therefore be extended to apply, without delay, to Martinique, Guadeloupe, and French Guiana in the context of the revision of Regulation (EC) No 247/2006 expected for mid-2010.

Labelling: the committee specified that the method by which the UHT milk thus reconstituted has been obtained shall be clearly indicated on the sales labelling.

Retroactive application: a new recital states that the retroactive application of the provisions of this Regulation as from 1 January 2010 should ensure continuity in the specific measures for agriculture in the outermost regions of the Union and should also meet the legitimate expectations of the operators concerned.

Outermost regions: specific measures for agriculture

The European Parliament adopted by 592 votes to 53 with 12 abstentions a resolution setting out its position at first reading under the ordinary legislative procedure (formerly known as the codecision procedure) with a view to the adoption of Regulation (EU) No .../2010 of the European Parliament and of the Council amending Regulation (EC) No 247/2006 laying down specific measures for agriculture in the outermost regions of the Union. Following agreement with the Council, it made some amendments:

Extension of sugar derogation to Azores: the text states that Article 4(3) of Council Regulation (EC) No 247/2006 allowed, for a period of four years, the dispatching of sugar from the Azores to the rest of the Union in quantities exceeding the traditional flows. Acknowledging that the

diversification of agriculture in the Azores could be advantageous and with a view to, consequently, facilitate the diversification, in particular with regard to the phasing out of the milk quota system, it is necessary to take appropriate measures to support the restructuring of the sugar sector in that region. To this end, to allow the local sugar processing industry to be viable, it seems appropriate to allow the re-dispatching of sugar in quantities exceeding the traditional flows for a limited period of five years and subject to progressively reduced annual quantities.

Accordingly, the following maximum quantities of sugar (CN code 1701) may be dispatched each year from the Azores to the rest of the Union for a period of five years: in 2011: 3000 tonnes; in 2012: 2500 tonnes; in 2013: 2000 tonnes; in 2014: 1500 tonnes, and in 2015: 1000 tonnes.

Removal of deadline for Portuguese vineyards: Regulation (EC) No 247/2006 provides for the gradual elimination, by 31 December 2013, of vineyards planted with prohibited direct-producer hybrid vine varieties in the Azores and Madeira. The date of 31 December 2013 is now deleted in order to eliminate the disparity of treatment between the regions of the Azores and Madeira on one hand and the rest of the Union on the other and to allow the continuing conversion of vineyards planted with prohibited vine varieties.

Labelling: the text specified that the method by which the UHT milk thus reconstituted has been obtained shall be clearly indicated on the sales labelling.

Retroactive application: a new recital states that the retroactive application of the provisions of this Regulation as from 1 January 2010 should ensure continuity in the specific measures for agriculture in the outermost regions of the Union and should also meet the legitimate expectations of the operators concerned.

Outermost regions: specific measures for agriculture

PURPOSE: to extend to the Azores, Madeira and the Canary Islands and the French overseas departments certain derogations as regards agricultural products as set out Council Regulation (EC) No 247/2006 laying down specific measures for agriculture in the outermost regions of the Union.

LEGISLATIVE ACT: Regulation (EU) No 641/2010 of the European Parliament and of the Council amending Council Regulation (EC) No 247/2006 laying down specific measures for agriculture in the outermost regions of the Union.

CONTENT: following a first-reading agreement with the European Parliament under the ordinary legislative procedure, the Council adopted a regulation amending regulation 247/2006 on specific measures for agriculture in the outermost regions of the EU.

The new regulation provides for the extension of some derogations on agricultural products provided for by the initial regulation to the Azores, the Canary Islands, Madeira and the French outermost regions.

The main provisions of the Regulation are as follows:

Sugar: Council Regulation (EC) No 247/2006 allowed, for a period of four years, the dispatching of sugar from the Azores to the rest of the Union in quantities exceeding the traditional flows. Acknowledging that the diversification of agriculture in the Azores could be advantageous and with a view, consequently, to facilitating such diversification, in particular with regard to the phasing out of the milk quota system, it is necessary to take appropriate measures to support the restructuring of the sugar sector in that region. To this end, to allow the local sugar processing industry to be viable, it is appropriate to allow the redispaching of sugar in quantities exceeding the traditional flows for a limited period of five years and subject to progressively reduced annual quantities.

Consequently, the following maximum quantities of sugar (CN code 1701) may be dispatched each year from the Azores to the rest of the Union for a period of five years: in 2011: 3 000 tonnes; in 2012: 2 500 tonnes; in 2013: 2 000 tonnes; in 2014: 1 500 tonnes; in 2015: 1 000 tonnes.

The Regulation authorises the Azores to benefit from the exemption from import duties for raw cane sugar within the limit of their forecast supply balance.

Milk-based preparations : Regulation (EC) No 247/2006 provides for a transitional period during which the Canary Islands may continue to receive supplies of determined quantities of milk-based preparations falling within CN codes 1901 90 99 and 2106 90 92 intended for industrial processing. This transitional period expires on 31 December 2009. The product falling within CN code 1901 90 99 ? skimmed milk powder with vegetable fat ? is a traditional product for the local consumers, including the most deprived, and has been sold in the Canary Islands during the last 40 years. The supply of this product has generated a specific local industry ensuring employment and added value. In the current situation of economic crisis, the Regulation maintains the supply of this specific product. This product shall be used for local consumption only.

In the light of the experience gained by the Commission, and to ensure that the Community support programmes are implemented effectively and appropriately, the Regulation removes references in that Regulation to checks and administrative penalties. However, such national measures will continue to be communicated to the Commission in accordance with the Regulation.

Wine: following the wine reform of 2008 and the recent integration of the wine CMO into the single CMO, Article 18 is updated to reflect the new provisions of Council Regulation (EC) No 1234/2007 as amended by Regulation (EC) No 491/2009.

Regulation (EC) No 247/2006 provides for the gradual elimination, by 31 December 2013, of vineyards planted with prohibited direct-producer hybrid vine varieties in the Azores and Madeira. Therefore the date of 31 December 2013 in Regulation (EC) No 247/2006 should be deleted in order to eliminate the disparity of treatment between the regions of the Azores and Madeira on one hand and the rest of the Union on the other.

The text stipulates that Portugal shall gradually eliminate vineyards planted with prohibited direct-producer hybrid vine varieties, with, where appropriate, the support provided for in Regulation (EC) No 1234/2007.

French overseas department of Reunion: despite the recent development of the local milk production in Reunion, the current need for drinking milk consumption on the island is not sufficiently covered. Moreover, the remoteness and insularity of this region do not allow other sources of raw milk. Consequently, this Regulation authorises the Reunion to produce reconstituted UHT milk from milk powder of Community origin, granted to Madeira by the first subparagraph of Article 19(4) of Regulation (EC) No 247/2006.

The method by which the UHT milk thus reconstituted has been obtained shall be clearly indicated on the sales labelling.

Retroactive application: a recital stipulates that the retroactive application of the provisions of this Regulation as from 1 January 2010 should ensure continuity in the specific measures for agriculture in the outermost regions of the Union and should also meet the legitimate expectations of the operators concerned.

ENTRY INTO FORCE: 24/07/2010.

APPLICATION: from 01/01/2010.