Common organisation of the market (CMO) in bananas

2006/0173(CNS) - 19/12/2006 - Final act

PURPOSE: to reform the Common Market Organisation in Bananas (CMO).

LEGISLATIVE ACT: Council Regulation (EC) No 2013/2006 amending Regulations (EEC) No 404/93, (EC) No 1782/2003 and (EC) No 247/2006 as regards the banana sector.

CONTENT: the Council adopted a regulation reforming the banana sector. The Commission issued a statement to address the specific problem of Cyprus which abstained, as did the Netherlands. Latvia, the UK and Sweden voted against and issued a common statement. Estonia, Germany and Poland issued their own statements.

The Regulation replaces the aid scheme in the banana CMO through a transfer to the POSEI scheme of the financial envelope for sustaining local banana production in the outermost regions concerned. It also includes "non-POSEI" areas under banana cultivation in the Single Payment Scheme (as of 2007 for Greece and Portugal, and in the following years for Cyprus), similarly with an appropriate budget transfer.

The financial envelope included in the proposal is based on the 2000-2002 reference period. The total envelope amounts to EUR 280 million for the major producing Member States (Spain, France, Portugal and Greece). For Cyprus, where banana producers are currently supported under the single area payment scheme, an additional budget of EUR 3.4 million is allocated.

This Regulation offers the advantages of:

- consistency with the CAP reform and with WTO disciplines;
- flexibility, for example in the promotion of environmentally-sound cultivation methods;
- permitting additional financing by member states;
- contributing to the attainment of a fair standard of living of the agricultural community in EU banana-producing regions;
- predictability and stabilising public expenditure, which was not the case with the former regulation.

ENTRY INTO FORCE: 01/01/2007.