Common agricultural policy CAP, reform: dried fodder, common organisation of the market CMO, 2004-2005 to 2007-2008

2003/0010(CNS) - 29/09/2003 - Final act

PURPOSE : to repeal Regulation 603/95/EC and establish the organisation of the market in dried fodder for the marketing years 2004/05 to 2007/08. LEGISLATIVE ACT : Council Regulation 1786/2003/EC on the common organisation of the market in dried fodder. CONTENT : the Council formally adopted the Regulations on reform of the Common Agricultural Policy, without debate and by a qualified majority, the Portuguese delegation voting against the "horizontal" Regulation and the Regulation establishing a levy in the milk and milk products sector. Statements by the Council, Belgium, France, the Netherlands, Luxembourg, Austria, Finland, the United Kingdom, Portugal (giving reasons for voting against) and the Commission are appended to the legal texts adopted. Initially based on principles (Articles 32 to 38 of the Treaty) intended to ensure self-sufficiency in food for the European Community by increasing agricultural productivity, to guarantee a high income to farmers, to stabilise markets and to provide agricultural products at a reasonable price to consumers, the reformed CAP henceforth introduces a new key element, a pillar of the reform, which is the partial decoupling of production-related aid, based on a reference period (2000-2002); it now makes payment of such aid conditional on compliance with rules on the environment, animal welfare, hygiene standards and preservation of the countryside. The key elements of the new, reformed CAP in a nutshell: - a single farm payment for EU farmers, independent from production; limited coupled elements may be maintained to avoid abandonment of production, - this payment will be linked to the respect of environmental, food safety, animal and plant health and animal welfare standards, as well as the requirement to keep all farmland in good agricultural and environmental condition ("cross-compliance"), - a strengthened rural development policy with more EU money, new measures to promote the environment, quality and animal welfare and to help farmers to meet EU production standards starting in 2005, - a reduction in direct payments ("modulation") for bigger farms to finance the new rural development policy, - a mechanism for financial discipline to ensure that the farm budget fixed until 2013 is not overshot, - revisions to the market policy of the CAP: - asymmetric price cuts in the milk sector: The intervention price for butter will be reduced by 25% over four years, which is an additional price cut of 10% compared to Agenda 2000, for skimmed milk powder a 15% reduction over three years, as agreed in Agenda 2000, is retained, - reduction of the monthly increments in the cereals sector by half, the current intervention price will be maintained, - reforms in the rice, durum wheat, nuts, starch potatoes and dried fodder sectors. Concerning support in the dried fodder sector will be redistributed between growers and the processing industry. Direct support to growers will be integrated into the single farm payment, based on their historical deliveries to the industry. National ceilings will apply to take into account current National Guaranteed Quantities. During a transitional period of 4 years, a simplified single support scheme for the dehydrated and sun-dried fodder industry will apply with a degressive aid, starting from EUR 33/t in 2004/05. The respective National Guaranteed Quantities will be merged. A maximum guaranteed quantity (MGQ) per marketing year of 4855900 tonnes of dehydrated and /or sun-dried fodder for which the aid provided may be granted is hereby established. The maximum guaranteed quantity provided for in paragraph 1 shall be divided among the Member States as follows: - Belgo-Luxembourg Economic Union (BLEU) : 8 000 tonnes; - Denmark : 334 000 tonnes; - Germany : 421 000 tonnes; - Greece : 37 500 tonnes; - Spain : 1 325 000 tonnes; - France : 1 605 000 tonnes; - Ireland : 5 000 tonnes; - Italy : 685 000 tonnes; - Netherlands : 285 000 tonnes; - Austria : 4 400 tonnes; - Portugal : 30 000 tonnes; - Finland : 3 000 tonnes; - Sweden : 11 000 tonnes; - United Kingdom : 102 000 tonnes. Processing undertakings who apply for aid under this Regulation shall be entitled to an advance payment of EUR 19,80 per tonne, or EUR 26,40 per tonne if they have lodged a security of EUR 6,60 per tonne. Member States shall make the necessary checks to verify entitlement to the aid. Once entitlement has been established the advance shall be paid. However, the advance may be paid before entitlement has

been established provided the processor lodges a security equal to the amount of the advance plus 10 %. This security shall also serve as security for the purposes of the first subparagraph. It shall be reduced to the level specified in the first subparagraph as soon as entitlement to aid has been established and shall be released in full when the balance of the aid is paid. Before 30 September 2008 the Commission shall, on the basis of an evaluation of the common market organisation for dried fodder, present a report to the Council on this sector dealing in particular with the development of areas of leguminous and other green fodder, the production of dried fodder and the savings of fossil fuels achieved. The report shall be accompanied, if needed, by appropriate proposals. ENTRY INTO FORCE : 28 October 2003. It shall apply from 1 April 2005.