Bananas: common organisation of the market CMO, import system (amend. Regulation (EEC) No 404/93)

1999/0235(CNS) - 27/03/2000

The committee adopted the report (consultation procedure) by Michel Dary (PES, F) amending the Commission proposal for a Council regulation on the common organisation of the market in bananas. The committee essentially rejected the Commission's proposals for a tariff-only system for banana imports by 2006 and demanded the retention of tariff quotas, for at least ten years, in order to protect vulnerable producers in the EU and in African, Caribbean and Pacific states. It feared that the flat-rate tariff system proposed by the Commission in order to bring the EU's banana regime into line with WTO rules would bankrupt producers in the Community's outlying regions and in ACP states, as the market would be flooded and prices would crash. The rapporteur acknowledged the Commission's difficulties in trying to square the circle between the divergent interests of the 15 EU Member States, the needs of vulnerable Community and ACP banana growers, WTO rules and reasonable prices for European consumers. However, the committee was determined that the EU would not abandon the small-scale producers in the EU's outlying territories or ACP exporters, who it feared would be swamped by the dollar bananas produced by multinationals in huge plantations in Latin America. It called for a transition period of at least ten years to allow Community and ACP producers to prepare for competition on world markets. It also opposed any automatic switch to a tariff-only system and rejected the "reverse auction" system for managing quotas on the basis of the order in which customs declarations were submitted. The committee called for a minimum tariff preference of EUR 300 per tonne for ACP countries during the transition period, instead of the EUR 275 proposed by the Commission, to guarantee them proper conditions of access and competition. It also insisted that the Commission assess the impact of the new regime on Community and ACP producers and operators and called for more CAP funding, Structural Fund assistance, compensation measures and marketing aid. It defended the European model of agriculture and called for special support measures for organic farming methods, particularly in ACP countries, as well as "fair trade" bananas.