Rice: common organisation of the market CMO

2000/0151(CNS) - 07/06/2000 - Legislative proposal

PURPOSE : to present a proposal for a Council Regulation on the common organisation of the market in rice. CONTENT : the European rice market is in serious unbalance. At the beginning of 1999/2000 marketing year a total of 495 402 tonnes of paddy rice (equivalent to about 303 000 tones of milled rice) were stored in public intervention, which represents about 20% of internal production. Under present status quo, this quantity risks to increase at a rhythm of 150 000 to 200 000 tonnes milled equivalent per year of which only some occasional sales under food programs could be deducted. Financial costs are important since, due to deterioration during storage, rice risks to loose its value after 2 to 3 years. Therefore, market prices are continuously below intervention prices. The unbalance is caused by a combination of increased imports and increased production as well as the limitation of subsidised exports under the Gatt agreement. Furthermore, a rapid solution to this problem must be found via the revision of the Common Market Organisation for rice which should enter into force as soon as possible, i.e. marketing year 2000/2001. This solution should be obtained by increasing the competitiveness of the European product as well as by improving the fluidity of the rice market. European production should also be reduced. Therefore, there is a necessity to harmonise the regulations of different Common market organisations. The Common organisation of the market in rice laid down by Council Regulation 3072/95 /EC, as last amended by Regulation 2078/98/EC, has been amended a number of times. However, by reason of their number, their complexity and their dispersal, these texts are difficult to use and lack the clarity that should be an essential feature of all legislation. Under these circumstances, they should be consolidated in a new Regulation and the aforementioned Regulation 3073/95/EC should be repealed. This proposal provides for provisions to be made for the application of the new common market organisation from 1 July 2001.