Agenda 2000: beef and veal, reform of the common organisation of the market COM

1998/0109(CNS) - 18/03/1998 - Legislative proposal

OBJECTIVE: the proposed regulation forms part of the group of proposals on the reform of the common agricultural policy and translates the guidelines of Agenda 2000 in the beef sector. SUBSTANCE: the proposal for a new common market organization for beef and veal intends replacing the intervention system by a private storage system, inspired by that applied in the pigmeat sector. The scope of direct payments will be extended and made more flexible in application. The main elements of the proposal are as follows: - the effective market support level (currently ECU 2 780 per tonne) will be reduced by 30%. The current intervention price will be reduced in two annual steps of 10% and on 1 July 2002 be replaced by a basic price for private storage, which will introduce the third 10% decrease in support level. The basic price for private storage will be set at ECU 1 950 per tonne which is the level for effective market support foreseen in the Agenda 2000 proposal. Private storage aid may be granted when the average Community market price is less than 103% of the basic price. This price can be changed only by the Council in consultation with the European Parliament; - direct payments will be increased for male bovine animals and suckler cows. A new direct payment for dairy cows will be introduced. Flexibility and targeting will be increased by entitling Member States to allocate part of the direct payment according to specific priorities; - the amount of direct support follows the Agenda 2000 proposal but will be sub-divided into a Community-wide basic payment and an additional payment according to national provisions. Direct payments for bovine animals will only be granted for those animals, which are identified and registered in accordance with EU legislation; - the basic special premium for male animals will be increased in three steps to ECU 220 for bulls (instead of ECU 135) and ECU 170 for steers (instead of ECU 108.7) in the year 2002. Regional ceilings for the number of premium rights for male animals will be fixed. The deseasonalisation premium for steers will continue as at present; - the annual suckler cow premium will be increased to ECU 180 in 2002 (instead of ECU 144.9) and will continue to be based on individual ceilings. It is also planned to introduce national ceilings to cover all suckler cow premium rights; - the beef premium granted to dairy cows will be determined on the basis of dairy premium units, thus avoiding an excessive administrative and control burden; - the total number of animals qualifying for the special premium and the suckler cow premium will be limited to 2 livestock units (LU) per hectare forage area. Producers with a stocking density less than 1.4 LU per hectare and currently practising extensive production methods may qualify for an additional payment of ECU 100 per premium granted. Member States will also allocate additional payments within the limits of fixed global amounts, financed by the EAGGF. Payments should be allowed per animal and/or per hectare of permanent pasture. The amount of direct payments may be adapted in the light of developments in production, productivity and the markets. Lastly, the provisions on trade with third countries will be carried over from existing legislation.