Sheepmeat and goatmeat, common organisation of the markets COM: intervention measures. Special report 3/95 Court of Auditors

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OBJECTIVE: to present the conclusions of the special report by the Court of Auditors on the implementation of the intervention measures provided for by the organization of the market in the sheepmeat and goatmeat sector. CONTENT: the Court of Auditors carried out audits at the Commission and in the seven Member States which account for over 95% of expenditure under the COM, viz. France, Greece, Portugal, Spain, Italy, the United Kingdom and Ireland. It identified a number of problems and omissions, especially in relation to checks on the ownership and eligibility of the animals. The Court of Auditors starts by formulating certain criticisms in principle of the COM, which it considers is too costly. According to its calculations, every kilo of sheepmeat or goatmeat costs three times more (1.7 ecu) than the same weight of beef. In addition, the COM has set up a vicious circle: paying premiums stimulates production; an increase in production pushes prices to producers down and this needs to be offset by paying new premiums. Automatically adapting premiums has therefore caused an explosion in budgetary expenditure (from under 600 million ecus during the initial years of the COM to 1,932 billion ecus in 1994). The Court therefore recommends that the Commission review this mechanism, which it considers unsuitable, especially when the basic price does not shadow the average market price. As far as the management of the COM is concerned, the Court calls for more selective, more efficient aid and highlights the following aspects: a) inadequate administrative controls: . the distinction between "heavy lambs" and "light lambs": the Court was unable to confirm in any region visited that the non-marketing of milk or milk products was being checked by reconciling figures with the data supplied by processors or distributors, as required in Community regulations; . controls of the situation in less favoured areas: according to the Court's findings, no in-depth checks are carried out on the situation in less favoured areas, involving at least 50% of the area farmed, except in Scotland and Ireland. The Commission therefore needs to propose a new definition of "less favoured area" and to grant and control this status more strictly; b) the need for reliable statistics: the statistics which the Member States forward to the Commission by 31 July of each marketing year are patchy and late. The Commission should improve the monitoring of compliance with regulatory obligations by Member States in this respect. In addition, there have been shortcomings in the implementation of the system for collecting the market prices on which the calculation of the premium is based. In future, the Member States and the Commission should control the collection of prices; c) improving controls on premiums: the premium system is marked by disparate management procedures and weak internal control insofar as there is limited administrative monitoring and little proof of the ownership and eligibility of the animals is obtained during in situ inspections. The introduction of a register per producer which is now under way and the identification of animals should improve this situation; d) the possibility of abolishing the supplementary premium for fattening as heavy carcasses: the Court considers the provisions are too complicated and that producers and the authorities in charge of monitoring find it difficult to comply with them; e) improved monitoring of private storage by Member States: the Member States need to implement efficient monitoring, especially with regard to bookkeeping.