Market in eggs and poultrymeat: exceptional support measures where restrictions are placed on free circulation in case of animal diseases and a drop in consumption (amend. Regulations (EEC) No 2771/75 and (EEC) No 2777/75)

2006/0055(CNS) - 29/03/2006 - Legislative proposal

PURPOSE : to lay down the legal basis for a possible later introduction of specific exceptional market support measures in the poultry meat and eggs sector.

PROPOSED ACT : Council Regulation.

CONTENT : due to the extensive media coverage given to the highly pathogenic strain of bird flu (H5N1) in several Member States, there has been a sharp drop in consumption of poultry meat in some Member States. Consumer confidence has dropped and this has also resulted in a very significant build-up in stocks of poultry meat in many Member States. The situation is all the more worrying because a number of third countries have placed a ban on imports of poultry meat from certain Member States, or from the EU as a whole.

Export refunds are the sole market management instrument available to the common organisation of the market in poultry meat. The Commission has already used this instrument by increasing export refund levels for certain products, but it is still insufficient to re-establish market equilibrium, given that consumption has also fallen on traditional export markets. The bans imposed by some third countries as mentioned above is further limiting the effect of the export refunds.

Aside from the use of export refunds for market management purposes, Articles 14 of the Regulations on the common market organisation in eggs and poultry meat respectively provide for exceptional market support measures where restrictions are placed on free circulation as a result of the application of measures to combat the spread of animal diseases. Such measures concern only poultry farms directly affected by health and veterinary measures and so cannot support the market more generally when there is a significant fall in consumption.

It is therefore necessary to extend this legal basis in order to include support measures other than those provided for currently in cases where serious market disturbances due to public health or animal health risks.

This proposal amends Articles 14 of Council Regulations 2777/75/EEC and 2771/75/EEC to this end.

FINANCIAL IMPLICATIONS :

Budget line : 05 02 15 07.

At this moment it is not possible to make an estimate of the future expenditure level. It will only be possible to estimate the expenditure at the time that concrete measures are proposed.