

Cereals: common organisation of the market

CMO

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In adopting the report drafted by Béla **GLATTFELDER** (EPP-ED, HU) under the consultation procedure, with 24 votes in favour and 10 against, the Committee on Agriculture and Rural Development favoured the rejection of the European Commission's proposal which seeks to abolish maize intervention from the 2007/08 marketing year onwards. Other amendments proposing a progressive reduction in intervention buying-in of maize down to zero tonnes in 2009/2010 and a reassessment of the situation at the end of 2008 were withdrawn as a result. The rapporteur proposes to reject the Commission's proposal on the following grounds:

- it infringes the legitimate expectations of maize producers;
- it is not justified appropriately by market data;
- it fails to take into consideration the possible negative effects of the removal of maize from intervention on the cereal markets.

Based on experts' estimates, the Rapporteur considers that the Commission's calculations are based on the assumption that intervention stocks will grow in a linear way in the future. This does not tally with market trends such as the currently high market price of 120 euros/tonne, the lower than average harvest last year, a fall in the level of intervention stocks to 4.28 million tonnes by the end of 2006, as well as estimates of an increase in global consumption and the development of the biofuels market which could be an important outlet for maize.