

Sugar: common organisation of the markets

CMO

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The Committee on Agriculture and Rural Development adopted by a large majority the report drafted by Katerina **BATZELI** (PES, EL) on the proposal for a Council regulation amending Regulation (EC) No 318/2006 on the common organisation of the markets in the sugar sector. It adopted a number of amendments designed chiefly to increase the compensation to producers and to the regions. The main amendments are as follows:

- if a linear reduction of national quotas is needed in 2010, the Agriculture Committee believes this should be carried out in two stages. The first stage should concern only Member States or undertakings which, for 2008/09, would not have made a voluntary renunciation or would have renounced less than 13.5% of their quota. In a second stage, the formula proposed by the Commission would be used, although the Committee states that returned quotas for 2006/2007 and 2007/2008 should be excluded, since they have already benefited from the backdated increase in the structural premium;
- during the first two marketing years (2006/2007 and 2007/2008) the Committee stated that some Member States had sought to use the provisions of Article 11 in order to obstruct those undertakings which declared themselves prepared to take part in the restructuring regime, and accordingly, it inserted a clause aimed at ensuring that this would not continue;
- given the full implementation and entry into force from 2010 of the 'Everything But Arms' initiative (which will allow developing countries to export sugar duty-free to the EU), MEPs believe it is essential to extend up to 2015 the application of the scheme allowing preventive withdrawal of a part of production if there is a surplus on the European market;
- in addition, the Committee wants the Commission to take any decision on withdrawals for 2008/09 by 4 February 2008 (instead of 16 March, as in other years) so that beet growers can act accordingly before the sowing season;
- restructuring should be stimulated by making it easier to deduct withdrawals from the final cut, so that undertakings which renounce a percentage of their quota in excess of the percentage applied to their Member State when the cut is made, benefit from their voluntary decision. A new provision states that, during the 2008/2009 marketing year, if a Member State renounces a percentage of the quota in excess of the withdrawal percentage set on 16 March 2007 in Article 1(1) or Article 1(2) of Regulation EC No 290/2007, the quota tonnage corresponding to the difference between the percentage renounced in 2008/2009 and the percentage of withdrawal shall be deducted in full from the final cut. Within a Member State, this provision shall apply in the same way to the benefit of undertakings which have renounced a percentage of their quota in excess of the withdrawal percentage set on 16 March 2007 in Article 1(1) or Article 1(2) of Regulation (EC) No 290/2007 for their Member State.

Lastly, it should be noted that this report is closely linked to the report on the proposal for a Council regulation amending Regulation (EC) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community ([CNS/2007/0085](#)).