Basic information

2001/0187(CNS) CNS - Consultation procedure Regulation	Procedure completed
Bananas: common organisation of the market CMO (amend. Regulation (EEC) No 404/93) **Subject** 3.10.06.01 Fruit, citrus fruits	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development	DARY Michel J.M. (PSE)	12/09/2001

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	01/10/2001
JURI Legal Affairs and Internal Market	MEDINA ORTEGA Manuel (PSE)	16/10/2001
ITRE Industry, External Trade, Research, Energy	The committee decided not to give an opinion.	
DEVE Development and Cooperation	FERNÁNDEZ MARTÍN Fernando (PPE-DE)	11/10/2001

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	2402	2001-12-19

European Commission

Commission DG	Commissioner
Agriculture and Rural Development	

Key events

Date	Event	Reference	Summary

21/08/2001	Legislative proposal published	COM(2001)0477	Summary
01/10/2001	Committee referral announced in Parliament		
03/12/2001	Vote in committee		
03/12/2001	Committee report tabled for plenary, 1st reading/single reading	A5-0443/2001	
12/12/2001	Decision by Parliament	T5-0673/2001	Summary
19/12/2001	Act adopted by Council after consultation of Parliament		
19/12/2001	End of procedure in Parliament		
29/12/2001	Final act published in Official Journal		

Technical information

Procedure reference	2001/0187(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (after Amsterdam) EC 037
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/5/15074

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0443/2001	03/12/2001	
Text adopted by Parliament, 1st reading/single reading		T5-0673/2001 OJ C 177 25.07.2002, p. 0080-0135 E	12/12/2001	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2001)0477 OJ C 304 30.10.2001, p. 0331 E	21/08/2001	Summary
Document attached to the procedure	COM(2004)0399	02/06/2004	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
	Economic and Social Committee:	CES1479/2001		

EESC	opinion, report	OJ C 048 21.02.2002, p. 0051	28/11/2001	
CofA	Court of Auditors: opinion, report	RCC0007/2002 OJ C 294 28.11.2002, p. 0001-0034	12/09/2002	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Regulation 2001/2587 OJ L 345 29.12.2001, p. 0012	Summary

Bananas: common organisation of the market CMO (amend. Regulation (EEC) No 404/93)

2001/0187(CNS) - 12/09/2002

The Court of Auditors has published a Special Rreport 7/2002 on the sound financial management of the Common Market organisation for bananas. The objectives of the Court's audit were to examine: - the way in which the Commission devised and implemented the measures introduced to achieve the CMO's objectives, - the way in which these measures had been managed by Member States, - the extent to which the objectives had been achieved. The audit focused on Spain and France who between them are responsible for more than 90% of EU production. The Court found that the Commission had been successful in harmonising the EU banana market and ensuring free movement of bananas in the EU while at the same time maintaining consumer choice. However certain other aspects of the market had been less successful and there was scope for improving management, notably: - in relation to the income compensation scheme, the Court found that, in the beginning problems had been experienced with the information supplied by Member States on the make up of reference prices used in the calculation which had led to overpayments of aid and the need for subsequent recoveries, - aid had been requested and paid in respect of quantities presented for marketing which had not finally been sold, this had resulted in overpayments, recovery of which is being pursued. Moreover, the Court found that: - there had been virtually no take up of the premium for taking land out of banana cultivation, - the required level of co-ordination and exchange of information on the relative impacts of Structural Fund and market measures necessary to ensure their cost effectiveness and synergy was not being achieved, - the restriction of supply via the quota had resulted in prices being maintained at a higher level in the EU than on the World market, - the tariff quota controlled import regime introduced initially was complex and non compliant with World Trade Organisation rules. This resulted in punitive retaliatory tariffs being imposed on EU exports until the Commission were able to negotiate a modified regime which became operational in January 2002, and finally - the quota system had been vulnerable because of weaknesses in the licensing system and the verification of imports by customs authorities; major fraud had been facilitated by the licence weakness and had resulted in duty of some Euro 160 million not being collected; the Court noted that the Commission had taken action to reinforce the licence system and are in the process of improving the verification of imports. The modified import regime is due to run until 2005 and will be replaced in 2006 by a tariff only based scheme. The Commission have yet to determine the details of the scheme but their objective is to maintain an appropriate level of protection for EU/ACP producers, avoid change in the present level of imports, minimise the effect on prices and minimise costs. The Commission is due to carry out a major evaluation of the CMO in 2004 and is waiting for the evaluation of the first five years of the regional support provided through the structural funds. The Court has recommended that the Commission take thisopportunity to carry out, as objectively as possible and with the aid of appropriate internal and external experts, a fundamental review of the impact and synergy of the various measures introduced by the market in the context of the planned move to a tariff only import regime and potential future of banana production in the EU.

Bananas: common organisation of the market CMO (amend. Regulation (EEC) No 404/93)

2001/0187(CNS) - 21/08/2001 - Legislative proposal

PURPOSE: To introduce changes to Regulation No 404/93 in line with agreements reached between the EU, Ecuador and the United States on the common organisation of the market in bananas. CONTENT: By 1 January 2006, the EU has agreed to reorganise the banana market to a "tariff only" system. In the meantime, the EU has maintained close contact with supplier countries, particularly the United States and Ecuador. Prior to the implementation of the "tariff only" system, there has been an understanding that a two stage application in the organisation of the EU's banana market

shall apply. It is now time to implement the second stage, which requires an amendment to Regulation No 404/93. This comprises the following points: - a quantity of 100 000 tonnes is to be transferred from quota C to quota B; - quota C is to be reserved exclusively for the ACP supplier countries. In line with these changes, the Regulation updates the CN codes for products to which Article 17, 18, 19 and 20 of Regulation No 404/93 applies. Amendments relating to agricultural legislation and financial aid have also been amended in line with the proposed changes.

Bananas: common organisation of the market CMO (amend. Regulation (EEC) No 404/93)

2001/0187(CNS) - 12/12/2001 - Text adopted by Parliament, 1st reading/single reading

The European Parliament approved, with numerous amendments, the resolution by Mr Michel J.M. DARY (PES, F). It is proposed by the Parliament that in establishing and managing the licensing system for 'C' quota, the Commission should aim to make license availability compatible with the volume of a country's exportable production, particularly by making adjustments to the allocation between traditional and non-traditional operators (a readjustment of 'C' quota in favour of traditional operators to achieve a minimum allocation of 94% for traditional ACP producers, 6% for non-traditional producers seems appropriate) and in defining historical reference periods (the 1996/1998 period offers the best correlation between license availability and volume of production). These rules should apply on a transnational basis pending the entry onto force on January 2006 of the common customs tariff rate applicable to products covered by the common organisation of the market. Before the conclusion of the negotiations on this subject which are being conducted with the Community's partners in accordance with the WTO procedures, the Commission should submit a progress report to the European Parliament and the Council which focuses in particular on trends in consumption and procedures' income within the Community and on the Union's commitments vis-à-vis the ACP countries, and which enables an assessment to be made of the a possible single customs duty to be negotiated at a level which can be borne by the most vulnerable producers and of the putting forward of the many compensatory measures. The Parliament also stipulates that there may be occasions when special measures are needed to accommodate the adverse effects of hurricanes. The Council should give the Commission leave to discuss the nature of these measures with individual Member States. In addition, in the event of increased Community demand, quotas B and C should be increased proportionately. Technical and financial assistance should be introduced without delay for traditional suppliers of ACP bananas, under measures, laid down in Council Regulation 856/1999/EC, which were adopted in 1999 with the aim of improving their competitiveness and easing their transition to the common customs tariff. Other aspects of the aid scheme for Community producers should also be modified so as to enable those producers to prepare for the 2006 deadline. The Parliament also notes that it is unjustified that aid granted to Community producers for loss of earnings should be used to develop new crops which may cause widespread environmental damage in banana producing areas. Aid should be primarily maintained to support banana production in traditional growing areas with the aim of helping the rural populations living there. In addition, Member States that so wish shall be authorised from 1 January 2002 to introduce national limits on the production for which compensation may be paid, on the basis of quotas currently authorised, without prejudice to the possibility of future revision of the national limits should the quotas be modified. The House also proposed that supplmentary aid shall be granted to one or more producers regions whe average income from production is 5% lower than average Community income. The supplementantary aid shall amount to 75% of the difference between average Community income and the income recorded when the products of the regions concerned are sold on the market. Before the conclusion of the negotiations with the Community'strading partners on the rate of the common customs tariff, and in any case before 31 December 2004, the Parliament proposes that the Commission shall submit a report to the European Parliament and Council on the foreseeable impact on the incomes of Community producers and ACP producers of the move to a common customs tariff, and shall propose appropriate compensatory measures. Lastly, the imports of products originating in the ACP countries shall be subject to a zero duty until 31 December 2007.

Bananas: common organisation of the market CMO (amend. Regulation (EEC) No 404/93)

2001/0187(CNS) - 19/12/2001 - Final act

PURPOSE: To amend Regulation 404/93/EEC regarding the quantity of banana tariff quotas from third countries and ACP countries. COMMUNITY MEASURE: Council Regulation 2587/2001/EC amending Regulation 404/93/EEC on the common organisation of the market in bananas. CONTENT: The amended Regulation allows for an adjustment in the allocation of tariff quotas for bananas originating in third countries or from ACP countries. The aim is to widen access for bananas originating in third countries whilst at the same time ensuring admission for a specific quantity of bananas originating in ACP countries. The following tariff quotas have been set: - A tariff quota of 2 200 000 tonnes net weight called "quota A". - An additional tariff quota of 453 000 tonnes net weight, called "quota B". - An autonomous tariff quota of 750 000 tonnes net weight, called "Quota C". What this means effectively is that 100 000 tonnes will be transferred from quota C to quota B in line with EU obligations negotiated by the Commission with the United States and Ecuador. Quotas A and B shall be open for imports of products originating in all third countries. Quota C shall be open for imports of products originating in ACP countries. Imports under quotas A and B and imports of bananas from third countries other than the ACP countries shall be subject to a customs duty of EUR 75 per tonne. Imports of products originating in the ACP countries shall be subject to a zero duty. Further, imports under C quota will be subject to a zero duty. A tariff preference for EUR 300 per tonne shall apply to imports originating in ACP countries. Also amended has been the possibility for Member States to exclude produce from new plantations from Community aid in order to preserve the objectives of sustainable development. Additionally the CN codes for products covered by the arrangements have been updated. The provisions on financing aid for Community producers have been clarified and the provisions on the committee procedure have been updated in line with legal developments. ENTRY INTO FORCE: 01/01/02.