



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 26 October 2001 (31.10)
(OR. fr)**

12966/01

**AGRIORG 114
AGRIFIN 140**

REPORT

from : Working Party on Arable Crops (Protein Crops)
on : 18 October 2001
to : Special Committee on Agriculture

No. prev. doc.: 10300/01 AGRIORG 83 AGRIFIN 100
No. Cion prop.: 7282/1/01 REV 1 [COM(2001) 148 final 2]

Subject: Communication from the Commission to the Council and the European
Parliament: Options to promote the cultivation of plant proteins in the EU

A. INTRODUCTION

1. The abovementioned Commission communication ¹ follows up the Council conclusions of 4 December 2000 on the measures to be taken in the framework of the decision to ban processed animal proteins (PAP). Point 18 of those conclusions called on the Commission to analyse in greater detail the supply and demand for protein-rich plants.

¹ The European Parliament's response to the Communication is expected in December 2001. The Economic and Social Committee is also drawing up an Opinion.

2. In its communication, the Commission presented several key options to steer the political debates on promoting the cultivation of plant proteins in the Community. Four main options were put forward: the communication's conclusions reject each of the four options on budgetary or legal grounds (particularly given the Community's WTO commitments) or for technical-economic reasons (the inadequate protein content of plant crops to replace PAPs). A 5% increase in imports of soya meal (i.e. 1-1,5 million tonnes) is, on the other hand, considered the only acceptable solution from the budgetary and legal point of view.
3. As instructed by the Special Committee on Agriculture, the Working Party on Arable Crops (Protein Crops) met on 18 April and 25 June 2001 to examine the options put forward by the Commission in its communication as well as the alternative proposals submitted by the E and B delegations (SN 3146/01 and SN 3147/01). The reports of these meetings, submitted to the Special Committee on Agriculture, are set out in 8234/01 and 10300/01.
4. At the meeting of the Special Committee on Agriculture on 10 July 2001, the Commission representative presented an explanatory technical document drawn up by Commission staff (SN 4017/01) concerning the methodology used for the calculation methods in the communication. On that occasion, the Working Party was instructed to examine that document and reconvened on 18 October 2001 to that end. This report aims to provide a brief summary of the proceedings of the Working Party.

B. WORKING PARTY PROCEEDINGS

1. The Commission representative said that the methodology chosen for the Commission's calculations has already been used for many years and was based on classic models to which a number of (theoretical) simulations had been applied. The models in question had never been criticised in the past by the various delegations and should therefore be maintained.

Broadly speaking, the positions previously taken by the delegations were confirmed¹. In addition:

- the D/L/NL/S and UK delegations said they were generally satisfied with the calculation methods used by the Commission and the results they yielded;
- the B/E/F/I and P delegations, on the other hand, contested the calculation method used by the Commission and called for a solution based not only on figures (opportunity costs) but also on, and in particular taking account of, the political nature of the dossier. These delegations thought the Commission should make specific proposals to promote the production of plant proteins in the Union, whereas a solution based on increased imports, especially of soya, would neither be appropriate nor acceptable given the low level of plant protein self-sufficiency in the Union. Moreover, the I delegation thought that, given the future situation (alignment of oilseed aid on crop aid starting with the 2002 crop), special compensation for oilseeds should be maintained² ;
- the D delegation, announcing its broad agreement with the Commission's calculations and supported by certain other delegations, in particular E, felt that, in practice, the degree of interaction between aid for plant proteins and the level of production surpassed that provided for by the Commission. The Commission representative repeated that past experience had shown that increased aid did not yield a significant increase in production.

¹ The D/F/S and UK delegations said that the B delegation's counter-proposal (SN 3147/01) seemed too complicated and would lead to administrative problems. The E delegation's proposal (SN 3146/01), strongly supported by the I delegation, might merit further examination at a later stage (e.g. during the overall review of Agenda 2000). Budgetary neutrality should, in all cases, be guaranteed.

² See also SN 4271/01, presented by the I delegation, at the Council meeting on 23 October 2001, explaining its position of principle on the subject.

2. At the close of the meeting, the Commission representative, while upholding the conclusions of the Commission's communication, expressed the view that the Commission had fulfilled the Council's mandate of 4 December 2000 and that it had given the delegations all possible technical explanations. Accordingly, there would be no need for further Working Party meetings.

The Chairwoman endorsed that conclusion.

o

o o

The Working Party agreed to submit the dossier as it stood to the Special Committee on Agriculture.
