Answer given by Mr Nielson on behalf of the Commission

(13 November 2000)

For the reasons explained in the draft livestock sub-sectoral strategy paper, the trend to livestock intensification is already perceptible, particularly in developing countries where the growth in demand is strongest. In some regions, intensification of livestock production has translated into development of peri-urban industrial schemes (mostly in Asia and Latin America), which leads to new constraints on the environment, human health, social development and also animal welfare.

As indicated in the draft paper, the development aid of the Community aims at helping poor small scale farmers and therefore does not support financially the creation or promotion of industrial animal production in developing countries. In the livestock sub-sector, Community aid will be directed towards poor rural communities which draw an important part of their income from livestock farming.

Therefore the Commission confirms that it will not encourage in developing countries the use of systems which are being phased out by law in the Community, for example battery cages for egg-laying hens and veal crates.

Even if the Commission does not and will not contribute to livestock industrialisation, it will, together with several Member States and developing countries, the Food and Agricultural Organisation (FAO) and the World Bank, consider animal welfare issues in the framework of the international LEAD (1) initiative. It is expected that the study to be carried out in Asia and Latin America in the coming months with the support of the Community environment budget line, as well as other works done by various organisations on the same subject, will give strategic guidance to both national and international decision-makers.

(1) Livestock, environment and development.

WRITTEN QUESTION E-3185/00

by Anders Wijkman (PPE-DE) to the Commission

(10 October 2000)

Subject: Implications of Regulation 2092/91 for imports of organic produce from developing countries

Regulation 2092/91 (1) erects unnecessary obstacles for developing countries wishing to export organically grown produce.

Regulation 2092/91 provides for two possibilities whereby organically produced food may be imported into the EU. Under Article 11(1), the country’s rules and inspection system may be approved by the EU in accordance with a special procedure laid down in detail in Regulation 94/92. The country is then entered on a list of ‘approved countries’. The other possibility is based on an exemption (Article 11(6)) lasting until 2005 under which a Member State may authorise imports from a third country which is not on the list of ‘approved countries’, provided the importer can demonstrate to the country’s authorities that the products meet the requirements of the Regulation. Applications must therefore be made for separate import licences in respect of each individual contract.

The bureaucracy involved in issuing licences is incomprehensible to many importers and exporters. The rules frequently change and are applied differently in different countries. The two issues which seem to be causing the most problems at present are the uncertainty as to how group-certified goods are to be assessed, and the requirement of EN45011 accreditation. There are many examples of shipments of organic produce being severely delayed or held at ports and having to be sold later at lower prices than conventional products.
What is the Commission’s view of the proposal to draw up a list of approved inspection bodies to operate in different countries, in tandem with the list of ‘approved countries’, which could create the same certainty and predictability for exporters in non-listed countries as exporters in listed countries currently enjoy?

The Regulation currently requires individual inspection of crops. Is the Commission in favour of amending the Regulation in order to identify criteria for the authorisation of ‘group certification’ and thereby make it easier for developing countries to export organically grown food?

Does the Commission take the view that a change in the rules would promote free trade at the same time as promoting organic farming in global terms, thus facilitating developing countries’ access to a market in which they would have a comparative advantage, given that many farmers in developing countries have never been able to afford to switch to chemical agriculture (a ‘win-win-win’ situation)?


Answer given by Mr Fischler on behalf of the Commission

(13 December 2000)

The Honourable Member states that Council Regulation (EEC) No 2092/91 of 24 June 1991 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs erects unnecessary obstacles with regard to imports of organic products from third countries, including developing countries. The Commission cannot agree with this view for the following reasons.

One of the main objectives of Regulation (EEC) No 2092/91 is to create a market for organic products which is credible for the consumers. Only in a market where there is a demand for organic products from consumers can organic farming grow. Given that primary objective, this Regulation has put a major emphasis on inspection of the products which are placed on the market with a label referring to organic production. Articles 8, 9, 10 and Annex III relate to inspection of producers, processors and importers of organic products in the Community, and Article 11 establishes that products from third countries must satisfy equivalent requirements. The requirement of ‘equivalency’ is applied in many other areas, and is accepted under the Technical barriers to trade (TBT) arrangement and under the 1999 Codex Alimentarius guidelines for the production, processing, labelling and marketing of organically produced products.

Before 1991 the Community market of organic products was marginal and fraudulent practices were suspected. The Community regime of protection of the ‘organic’ label and the inspection related thereto has given the market the necessary credibility to build the confidence and interest from a growing number of consumers. This permitted not only organic production to grow within the Community but also increasing imports from some 100 third countries all over the world. To keep the market growing, in the interest of both the producers in the Community and the exporters and producers in third countries, it is essential to maintain its credibility. It has to be borne in mind that participating in this market is a voluntary engagement and that maintaining the credibility of the market requires efforts from both producers within the Community as well as from those outside the Community. Recent experiences in the food area have shown the disastrous effects of a crisis on the credibility of a conventional food market. Such a crisis would even more affect the market of organic products.

The Commission is aware that in their duties under Article 11(6) of the above Regulation, Member States have no identical practices in order to evaluate the equivalency of the inspection arrangements the importers submit to their evaluation. The Commission is currently identifying the documentary requirements in the different Member States. A comparison will show whether the differences are significant and whether action for harmonisation is required as a matter of priority. In any event, it is a matter for the importer to ensure that the necessary procedures have been finalised in due time and before presenting the products concerned for import into the Community.
With regard to the suggestion of the Honourable Member to draw up a list of approved inspection bodies, the Commission will, in view of the deadline of 31 December 2005, review the overall operation of the regime of Article 11(1) (recognition of equivalency by the Commission) and of Article 11(6) (recognition of equivalency by Member States). In that context the development of lists of inspection bodies which have been approved by Member States in the framework of Article 11(6) could be explored. This would however require that the conditions under which Member States evaluate equivalency are fully harmonised, which at this stage is not the case.

With regard to the inspection of groups of producers in third countries, it is the Member States’ responsibility to evaluate, in the framework of Article 11(6), the equivalency of the regimes proposed to them by the importers, and it is up to the Member State involved to be satisfied that the proposed inspection system gives adequate guarantees that the production rules are effectively satisfied. In the Community every producer is inspected once a year, as a minimum, and it is known that certain producers in the Community, who apply the organic farming production rules, have no access to organic labelling because, for financial or other reasons, they have not submitted their holding to the inspection system. In that context it seems fully reasonable that also in third countries all producers wishing to be considered as organic, with the advantages that confers, be submitted to a similar requirement and be thoroughly inspected. It is known that in third countries, including developing countries, chemical products are in use in agriculture under conditions which are not acceptable in organic farming and sometimes even not in European conventional farming. Where however, in particular cases, it is demonstrated that it is very unlikely that the organic production rules would not be satisfied and that it is excluded that producers can have access to prohibited products, the Commission would not oppose the Member State involved applying some flexibility. This will have to be evaluated on a case by case basis, taking into account the uniformity of the production of the individual operators of the group, the way in which the group has a control on the production practices of its individual members and the overall production conditions in the region concerned.

(2001/C 163 E/054)  
WRITTEN QUESTION E-3190/00  
by Brigitte Langenhagen (PPE-DE) to the Commission  
(12 October 2000)  

Subject: Energy costs in horticulture, differing conditions of competition

Among those businesses whose survival is increasingly threatened by the rapidly rising energy prices are the horticultural firms of northern Germany, much of whose produce is cultivated in greenhouses. Because of tax advantages, in the Netherlands, for example, competition in these tightly-knit regions is extremely distorted. According to my research, German horticultural firms in the German-Dutch border region have to bear more than double the burden in energy costs than their Dutch competitors because of oil company price policy and higher VAT. With competition so fierce, the energy price rises cannot be passed on to the consumer. The already existing distortions of competition due to the absence of tax harmonisation in Europe have now been made glaringly obvious by the rising energy prices and threaten various industries and occupations in different ways.

Could the Commission answer the following questions:

1. Is the Commission aware of the precarious competitive environment in the horticultural industry?
2. What are the Commission’s plans to eliminate or alleviate such distortions of competition in Europe?
3. What action will the Commission take against the oil companies’ differing price policy in the various Member States?
4. Will the Commission take a strong line against obvious subsidies from Member States for different industries? If so, by what means?
5. How will the Commission push through a harmonisation of the different rates of VAT?