

Opinion of the European Economic and Social Committee on the 'Proposal for a Council Regulation on the common organisation of the market in seeds'

(COM(2005) 384 final — 2005/0164 (CNS))

(2006/C 28/12)

On 21 September 2005 the Council decided to consult the European Economic and Social Committee, under Article 36 of the Treaty establishing the European Community, on the abovementioned proposal.

On 27 September 2005, the Committee Bureau instructed the Section for Agriculture, Rural Development and the Environment to prepare the Committee's work on the subject.

Given the urgent nature of the work, the European Economic and Social Committee appointed Mr Bros as rapporteur-general at its 421st plenary session, held on 26 and 27 October 2005 (meeting of 26 October), and adopted the following opinion *nem. con.* with 61 votes in favour and 3 abstentions.

1. Conclusions and recommendations

1.1 The Committee approves the drafting of a new regulation, incorporating the numerous amendments to Regulation No 2358/71. However, the Commission's proposal is restrictive and should be amended. In particular, the safeguard clause should not be limited to non-member countries of the World Trade Organisation, but should apply to all third countries.

1.2 The Committee proposes that Recital 2 of Regulation (EEC) No 2358/71 should be reinserted:

'Whereas the situation of the market in seeds is characterised by the need to keep prices competitive with world prices for these products; whereas appropriate measures should therefore be taken to stabilise the market and to ensure a fair income to the producers concerned;'

1.3 The Committee proposes that Recital 6 of Regulation (EEC) No 2358/71 should be reinserted and made applicable to all sensitive products:

'Whereas, ~~in respect of hybrid maize for sowing in respect of the production of sensitive 'seeds,~~ it is necessary to avoid disturbances on the Community market caused by offers made on the world market at abnormally low prices; whereas to this end reference prices should be fixed for ~~these~~ products and a countervailing charge should be added to the customs duties when free-at-frontier offer prices plus customs duties are lower than the reference prices.'

1.4 The Committee proposes the following amendment to Article 7(1):

'If, by reason of imports or exports, the Community market in one or more of the products listed in Article 1 is affected by, or is threatened with, serious disturbance likely to

jeopardise the achievement of the objectives set out in Article 33 of the Treaty, appropriate measures may be applied in trade with ~~non-member~~ **third** countries ~~of the World Trade Organisation~~ until such disturbance or threat of it has ceased.'

2. General comments

2.1 The European Commission's proposal reviewing the common market in seeds largely aims to consolidate Regulation (EEC) No 2358/71, in the wake of numerous amendments and the recent CAP reform. However, the proposal reduces the agricultural policy for seeds to its most basic form: the retention of a safeguard clause and a request for Member States to exchange statistical information.

2.2 Seeds are more than just a basic agricultural commodity. They form a strategic input not only for adapting the agricultural and agri-food sectors, but also for responding to consumer expectations (for example, GMO-free production). Due to their make-up and properties, seeds are the first link in the chain for achieving a competitive market and meeting consumer demands relating to food safety and respect for the environment. The common market in seeds must define more ambitious ways to safeguard, steer and work alongside European agricultural production.

3. Specific comments

3.1 The redrafting of the regulation should take proper account of Articles 33 and 34 of the Treaty. At the very least, Recitals 2 and 6 of the Regulation (EEC) No 2358/71 should be reinserted to enable the European Commission to take action, in the event of difficulties in the seeds markets, in accordance with the Treaty and European consumers' requirements.

3.2 From a legislative standpoint, it is more logical to list the relevant CMO products (Article 1) with references to the 1966 Directives 66/401 and 66/402 ⁽¹⁾ governing the marketing of seeds, in tandem with the Customs Nomenclature.

3.3 In the Commission's proposal the safeguard clause, which authorises the Commission to take action in the event of serious disturbance likely to jeopardise the achievement of the objectives set out in Article 33 of the Treaty, has been reduced significantly to non-member countries of the WTO. The EU's current competitors in high-tech products, such as seeds, are all developed countries (United States, Chile, Australia, New Zealand, etc.) and members of the WTO. It is therefore not appropriate to restrict the use of the safeguard clause to non-member countries of the WTO.

3.4 In Member States, seed quality and quality checks are governed by Directives 66/401, 66/402, 2002/54 and 2002/57. The same level of quality should be guaranteed for seed from third countries. This matter comes under the equivalency negotiations between the European Union and third countries, and the CMO should mention this quality requirement in the Recitals, for example.

Brussels, 26 October 2005.

3.5 The CMO should draw up a real support policy for producer organisations. It is mandatory for the seed company and farmer to have a contractual agreement relating to seed production. In line with the 1994 Regulation ⁽²⁾ governing plant variety rights, the seed farmer (producer) is required to supply the company, to which he is bound by contract, with the entire harvest. It would be useful for the CMO to help producer organisations, who are often powerless in the face of the companies, and define the minimum contractual regulations.

3.6 The CMO should establish ways to consolidate the compilation of statistical information, in line with the objectives in Recital 8 of the proposal.

3.7 The Commission should draw up an operational procedure for implementing the safeguard clauses. It is difficult to prove that isolated imports at low prices 'jeopardise the achievement of the objectives set out in Article 33' as stated in the Commission's draft, or fail to meet European consumer demands.

The President
of the European Economic and Social Committee
Anne-Marie SIGMUND

⁽¹⁾ OJ P 125 of 11.7.1966.

⁽²⁾ Council Regulation (EC) No 2100/94 of 27.7.1994 – OJ L 227 of 1.9.1994.