



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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## EU-27

### Agricultural Situation

#### Council of the European Union approves proposal creating a single Common Market Organization

#### 2007

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**Report Highlights:**

The EU Council of agricultural ministers has backed the Commission's proposal to replace the existing 21 Common Market Organizations (CMOs) with a single CMO for all agricultural products. This is viewed as being an essential element of the Commission's strategy to simplify the CAP. Under the plan, the entire CAP will eventually be covered by four main Council acts, namely those on the single CMO, the direct aid regime, rural development and the financing of the CAP.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Brussels USEU [BE2]  
[E4]

Council of the European Union backs single Common Market Organization (CMO)

At their Council meeting of June 11-12, 2007, EU agriculture ministers approved the proposal from the European Commission to establish a single Common Market Organization for all agricultural products to replace the existing twenty one CMOs. The original proposal was made by the Commission on December 18, 2006 (see [Press Release](#) and [Commission proposal](#)), as an important part of its strategy to streamline and simplify the CAP. The key issues of the Commission's approach to this are set out in its 2005 Communication on 'Simplification and Better Regulation for the Common Agricultural Policy'(COM (2005) 509 final).

The single CMO combines and harmonizes as far as possible the Council acts in areas of market policy covering rules on intervention, private storage, marketing and quality standards, import and export rules, safeguard measures, competition, state aid and the communication and reporting of data.

The agreed text provides for a single Regulation with some 200 articles. This will replace around fifty different Council acts containing in excess of 650 articles. Under the overall plan to simplify the CAP, the whole CAP framework will eventually be covered by four main Council acts, namely those on the single CMO, the direct aid regime, rural development and the financing of the CAP.

Agriculture and Rural Development Commissioner Mariann Fischer Boel said that '*The creation of a single CMO will make the policy more transparent, more understandable and less burdensome to implement. Less red tape will make life easier for farmers and administrators, and should reduce costs for the food industry.*'

The European Commission asserts that this technical simplification is not a way to introduce reforms through the back door. Policy changes are happening in parallel, for example within the framework of the CMO reforms for fruit and vegetable and wine. Final agreement in the Council on these arrangements will lead to appropriate changes being incorporated into the single CMO. Additionally, the 'Health Check' of the 2003 CAP Reforms scheduled for 2008 will provide an opportunity to evaluate potential policy changes.

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