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MARE D3/EG Ares(2017)

M. Aurelio Bilbao
President du CC SUD
6, rue Alphonse Rio
56100 Lorient
France

Subject: Reply - "Storage" intervention system

Ref.: Opinion no. 111 of 10 November 2016

Dear Mr Bilbao,

I have taken note of SWWAC's opinion that it is necessary to maintain the storage aid mechanism beyond 2018, the last year of its implementation laid down in the **FEAMP regulation**, and I thank you sincerely.

This adaptation would require a change in the legal framework (and in its balancing mechanisms), which is not currently envisaged. The transitory nature of the storage aid must be put in perspective with the increase in the Production and Marketing Plans (PMPs): when the mechanisms expire, the OPs will have had 5 years for their PMPs to reach maturity.

These PMPs can cover a very broad field of measures and the benefits of the storage aid that you point out in your opinion (profitability and price stabilisation) should result from the implementation of the PMPs. The recommendations adopted by the Commission on the development and implementation of the PMPs (recommendation of the Commission No. 2014/11/EU of 3 March 2014) propose a wide (non-exhaustive) range of measures which can be included in the PMP in order to contribute to the achievement of the objectives set by the CMO regulation.

As regards the financing of the PMPs, I would remind you that it is mandatory and that it can be up to 3% of the average annual value of production marketed by the members of a producer organisation, which is potentially substantial with respect to what the producer organisations benefited from under the old interventions regime. As the level of financing of the PMP is decided upon by the competent national authorities, who have approved the content of the PMP, I invite the representatives of the producer organisation members of the SWWAC to mobilise these authorities in order to ensure a level of financing necessary for the increase in PMPs.

Finally, it must also be pointed out that at any time, including after 2018, a Member State can approve triggering prices without proposing financial help from the FEAMP for a storage mechanism, which enables the producer organisations to implement this mechanism from their own funds and without public money.

I thank you once again for your contribution. If you have any further questions, I would ask you to contact Mrs Evangelia Georgitsi, coordinator of the Advisory Councils (evangelia.georgitsi@ec.europa.eu; +32 2 295 04).

Yours faithfully

João AGUIAR MACH¹ADO

Cc.: Mr Jean-Marie Robert, South West Waters Advisory Council