No L 222/2 Official Journal of the European Communities 2.10.71

REGULATION (EEC) No 2114/71 OF THE COUNCIL

of 28 September 1971

on the subsidy for oil seeds

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 136/66/EEC[1] of 22 September 1966 on the establishment of a common organisation of the market in oils and fats, as last amended by Regulation (EEC) No 2554/70,[2] and in particular Article 27 (3) thereof;

Having regard to Council Regulation No 162/66/EEC[3] of 27 October 1966 on trade in oils and fats between the Community and Greece, and in particular Article 8 thereof;

Having regard to the proposal from the Commission;

Whereas principles should be laid down to govern the granting of the subsidy referred to in Article 27 of Regulation No 136/66/EEC and the fixing of the amount of this subsidy under abnormal conditions; whereas, moreover, rules should be laid down for checking entitlement to the subsidy and the conditions under which advance fixing of the amount of the subsidy may be allowed;

Whereas most of the colza, rape and sunflower seeds harvested and used within the Community is intended for the production of oil; whereas these seeds are in direct competiton with imported oil seeds which are generally offered at prices lower than the target price; whereas, therefore, entitlement to the subsidy should be limited to seeds harvested and processed within the Community for the production of oil;

Whereas, in order that this subsidy may be granted only for seeds which qualify for it, the Member States should set up a system of control for seeds produced within the Community and intended for the production of oil, and also for all imported seeds; whereas, in order to facilitate the control of imported seeds, such control should be accompanied by the lodging of a deposit;

Whereas, to ensure uniform and effective control of the seeds harvested within the Community, certificates should be introduced furnishing proof that the seeds have been placed under control at an oil mill;

Whereas to assist the oil producer to calculate the prime cost of his product, the level of subsidy should not be dependent on the time of processing; whereas therefore the amount of the subsidy should be determined on the basis of the day on which the seeds are placed under control;

Whereas, in the interests of sound administration, such certificates should also be used when the amount of the subsidy is fixed in advance; whereas, in that case, to prevent speculative operations, the issue of the certificate should be made subject to the lodging of a deposit to guarantee the obligation to place the seeds under control for the period of validity of the certificate;

Whereas provision should be made for the possibility of altering the amount of the subsidy and of suspending its advance fixing so as to rectify an abnormal situation on the seed market within the Community; whereas, to this end, provision should be made for the benefit arising from the advance fixing to be granted only after the expiry of a short period following the lodging of the application, during which period the state of the market can be assessed;

Whereas forward quotations for colza, rape and sunflower seeds are not regularly available; whereas forward quotations for other seeds may be affected by a specific demand, so that they do not accurately represent the real trends on world markets; whereas, because of this, in order to determine the amount of the subsidy to be fixed in advance, the amount

[1] OJ No 172, 30.9.1966, p. 3025/66.
[2] OJ No 275, 19.12.1970, p. 5.
[3] OJ No 197, 29.10.1966, p. 3393/66.

applicable on the day on which the application is made should be adjusted on the basis of the target price for the month in which the seeds are placed under control, and also, where appropriate, on the basis of the difference between the economic advantages from processing these seeds and the advantages of processing the seeds of major competitors;

Whereas, to facilitate application of the subsidy system, provision should be made for the subsidy to be paid out by the Member State on whose territory the seeds are processed for the production of oil;

Whereas this Regulation is intended to replace Council Regulation No 116/67/EEC[1] of 6 June 1967 on the subsidy for oil seeds, as last amended by Regulation (EEC) No 1317/71,[2] and whereas, in consequence, Regulation 116/67/EEC should be repealed;

HAS ADOPTED THIS REGULATION:

Article 1

The subsidy provided for in Article 27 of Regulation No 136/66/EEC shall be granted, under the conditions laid down in that Article, for colza, rape and sunflower seeds processed in the Community for the production of oil.

Article 2

1. Member States shall control the processing of colza, rape and sunflower seeds at the oil mill to ensure that the subsidy is received only for seeds which qualify for it.

2. Member States shall communicate to the other Member States and to the Commission the provisions adopted by them to ensure the control provided for in paragraph 1 of this Article, before applying them. Where these provisions are not such as to implement the aims referred to in that paragraph, the amendments which the Member State concerned is to make to them shall be decided in accordance with the procedure provided for in Article 38 of Regulation No 136/66/EEC.

Article 3

The amount of the subsidy shall be that which is applicable on the day on which the Member State concerned takes over control of the seeds at the oil mill in which they are processed. However, the amount of subsidy applicable on the day on which the application for the certificate referred to in Article 4 was lodged, adjusted in accordance with the provisions of Article 7, shall be applied, at the request of the party concerned, to seeds placed under control at the oil mill during the period of validity of the certificate.

Article 4

A Community subsidy certificate shall be introduced which shall provide proof that the seeds harvested in the Community have been placed under control in an oil-mill and which shall certify, where appropriate, that the amount of the subsidy has been fixed in advance. The certificate shall be issued by Member States to any applicant concerned, irrespective of the place of his establishment in the Community.

Article 5

Where the amount of the subsidy has been fixed in advance, the certificate referred to in Article 4 shall be valid throughout the Community.

In this case the certificate shall, subject to the provisions of Article 8, be issued on the afternoon of the first working day following the day on which the application was lodged.

Moreover, the issue of the certificate shall be subject to the lodging of a deposit to guarantee the obligation to place the seeds under control in an oil mill situated within the Community during the period of validity of the certificate, this deposit being forfeited in whole or in part if, during that period, the seeds are not placed under such control or are only partially placed under control.

Article 6

When the amount of the subsidy is not fixed in advance, the certificate referred to in Article 4 shall be issued by the Member State in which the seeds are placed under control.

The certificate shall be issued on the day on which the Member State concerned takes over control of the seeds at the oil mill in which these are processed.

Article 7

1. When fixed in advance, the amount of the subsidy applicable on the day on which the application was lodged shall be adjusted on the basis of:

[1] OJ No 111, 10.6.1967, p. 2198/67.
[2] OJ No L 139, 25.6.1971, p. 5.

(a) the difference between the target price valid on that day and that valid on the day on which the seeds are placed under control at the oil mill; and

(b) if necessary, a corrective amount.

2. The corrective amount referred to in paragraph 1 (b) shall be calculated taking into account price trends for the seeds in question on the world market and also, where appropriate, the difference between the economic advantages from processing these seeds and the economic advantages of processing the seeds of major competitors.

Article 8

1. If the situation on the Community seed market is abnormal, and in particular if the volume of applications for advance fixing of the subsidy does not appear to be related to normal outlets for seeds harvested in the Community, it may be decided, if the certificate referred to in Article 4 has not yet been issued, to alter the amount of the subsidy and to suspend the advance fixing of this amount, to the extent necessary to restore the balance between the Community market and the world market.

2. The amount of the subsidy shall be altered by applying a corrective factor determined in accordance with the procedure provided for in Article 38 of Regulation No 136/66/EEC.

3. Suspension of advance fixing shall be decided in accordance with the procedure laid down in Article 38 of Regulation No 136/66/EEC.

However, in case of emergency, the Commission may decide on this suspension; in such case the period of suspension shall not exceed seven days.

Article 9

1. All imports of seeds referred to in Article 1, and mixtures of products falling within heading No 12.01 of the Common Customs Tariff containing at least 2% by weight of one or more of these seeds, shall be subject to a system of control which shall apply until the seeds or mixtures are brought under the system of control provided for in Article 2, or, if there is no processing for the production of oil, until the seeds are rendered ineligible for the subsidy.

2. The control may be accompanied by the lodging of a deposit, the level of which may not exceed the amount necessary to ensure that there is no incentive to withdraw imported seeds from control and to make an undue application for the subsidy.

Article 10

Entitlement to the subsidy shall be acquired when the seeds are processed for the production of oil.

The subsidy shall be paid to the holder of the certificate referred to in Article 4 in the Member State where the seeds are placed under control, when proof of processing is furnished. However, the subsidy may be paid in advance as soon as the seeds have been placed under control, on condition that a guarantee for their processing is lodged.

Article 11

1. The weight of seeds referred to in Article 1 shall be determined, and samples drawn, in particular

— on import;

— on entering the oil mill where the seeds will be processed;

— on being rendered ineligible for the subsidy in respect of quantities imported and intended for uses other than the production of oil.

2. The amount of the subsidy and the amount of the deposit referred to in Article 9 (2) shall be calculated on the basis of weight, this being adjusted in accordance with such differences as may exist between the recorded percentages of moisture and impurities and those used to define the standard quality for which the target price is fixed.

Article 12

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

It shall apply from 1 January 1972.

Regulation No 116/67/EEC is hereby repealed with effect from 1 January 1972.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 28 September 1971.

For the Council
The President
P. SILVESTRI