REGULATION (EEC) No 834/74 OF THE COMMISSION

of 5 April 1974

laying down requisite provisions to prevent the sugar market being disturbed as a result of the price increase in this sector for the 1974/75 sugar marketing year

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 1009/67/EEC [1] of 18 December 1967 on the common organization of the market in sugar, at last amended by Regulation (EEC) No 1928/73 [2] and in particular Articles 37 (2) and 38 thereof;

Having regard to Council Regulation (EEC) No 206/68 [3] of 20 February 1968 laying down outline provisions for contracts and inter-trade agreements on the purchase of beet, at last amended by the Act [4], annexed to the Treaty concerning the Accession of new Member States to the European Economic Community and the European Atomic Energy Community, and in particular Article 11;

Having regard to Council Regulation (EEC) No 974/71 [5] of 12 May 1971 on certain measures of conjunctural policy to be taken in agriculture following the temporary widening of the margins of fluctuation for the currencies of certain Member States, at last amended by Regulation (EEC) No 3450/73 [6], and in particular Article 6;

Whereas the Council has decided to fix the intervention price for the 1974/75 sugar marketing year at a level 7 % higher than the price which was applicable during the 1973/74 sugar marketing year; whereas that increase is liable to disturb the market in sugar; whereas Article 37 (2) of Regulation No 1009/67/EEC provides that the provisions necessary to prevent such a disturbance may be adopted in accordance with the procedure laid down in Article 40 of the said Regulation;

Whereas it is essential to adopt provisions which are effective and yet involve no risk of distortion of competition within the Community and without requiring too complicated measures of management or control at national level; whereas a variation of the amount of levy for offsetting storage costs for a period before and after 1 July 1974 can meet these objectives, if this variation results in manufacturers' incomes from sugar sales being increased successively during the two periods abovementioned; whereas the amount of this levy has been fixed for the 1973/74 sugar marketing year by Commission Regulation (EEC) No 1755/73 [7] of 29 June 1973;

Whereas at present it is convenient only to make provision for the variation for the period before 1 July 1974 and to fix the variation for the subsequent period at the same time as the amounts applicable for the 1974/75 sugar marketing year under the system of offsetting storage costs are fixed;

Whereas it is necessary to prevent fictitious sales, which could be contrary to the objective pursued;

Whereas an adequate solution must be envisaged for refiners, as they are not obliged to pay the levy on stocks of raw sugar; whereas this objective may be met by the payment to the supplier of the basic product of a reasonable amount which, taking into account a reimbursement to the beet grower, should be established on the basis of the increased values by a raw sugar manufacturer on the one hand and by a refinery on the other; whereas it is necessary to provide at the same time for the payment of an amount by the raw sugar manufacturer to the beet grower in question;

Whereas it is necessary to adapt the communications from Member States and manufacturers taking into account the amendments to the system of offsetting storage costs;

Whereas the increase in Italy of the prices of sugar expressed in Italian lira resulting from the exchange rate to be applied for the Italian lira in the sugar sector is appreciably higher than the Community increase; whereas it is absolutely necessary to prevent disturbances on the Community market on the one hand by providing a reduction of the monetary compensatory amounts for sugar imported before 1 July 1974 and marketed for consumption from this date and on the other hand by requiring Italy to adopt national measures on its market; whereas these national measures must result in the removal of any incentive to excessive stocking of sugar before 1 July 1974; whereas it is convenient to provide for a communication of these measures by a date which permits further Community intervention if necessary;

(1) OJ No 308, 18. 12. 1967, p. 1.
(2) OJ No L 199, 19. 7. 1973, p. 7.
(3) OJ No L 47, 23. 2. 1968, p. 1.
(4) OJ No L 73, 27. 3. 1972, p. 14.
(5) OJ No L 106, 12. 5. 1971, p. 1.
(6) OJ No L 353, 22. 12. 1973, p. 25.
(7) OJ No L 176, 30. 6. 1973, p. 73.

Whereas the measures provided for in this Regulation are in accordance with the Opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION :

Article 1

1. By way of derogation from Regulation (EEC) No 1755/73, the amount of the levy referred to in Article 8 of Regulation No 1009/67/EEC shall, from 15 April 1974, be fixed at 1·35 units of account per 100 kilogrammes of white sugar.

2. However, upon an application from the person concerned and after he has proved that the sugar is marketed in accordance with Article 9 (1) under (a), (b), (d), (e), (f) or (g) of Regulation (EEC) No 442/70, the amount referred to in paragraph 1 shall be replaced by the following :

(a) 0·80 units of account from 15 April 1974 ;

(b) 0·65 units of account during the month of May 1974 ;

(c) 0·55 units of account during the month of June 1974.

Article 2

Enterprises which refine raw sugar and which have in stock at 00.00 hours on 1 July 1974 :

— purchased raw sugar and/or

— white sugar or syrups, manufactured from a purchased raw sugar,

which are in free circulation, shall pay to the sellers of the raw sugar an amount which is equitable by comparison with the increase in the prices fixed at the Community level. This amount shall not be less than 1·25 units of account per 100 kilogrammes of white sugar.

The Member States shall take the measures needed to enforce the provisions referred to in the previous subparagraph.

Article 3

1. Each manufacturer of raw beet sugar shall pay to the beet growers a part of the amount referred to Article 2, not less than 0·75 unit of account.

2. An inter-trade agreement may derogate from the provisions of paragraph 1.

Article 4

1. The communications referred to in Article 1 (4) of Commission Regulation (EEC) No 1087/69 [1] of 11 June 1969, on communications from Member States concerning sugar, as last amended by Regulation (EEC) No 700/73 [2] shall from 1 April 1974 be made as follows :

(a) the quantities for which the levy referred to in Article 1 (1) is to be paid ;

(b) the quantities for which the levy referred to in Article 1 (2) is to be paid ; those quantities shall be notified separately according to whether they refer to the levies under (a), (b) or (c).

2. At the same time as the communication referred to in Article 10 (2) of Regulation (EEC) No 442/70, the manufacturer shall notify for the month of April 1974 the quantities marketed on the one hand from 1 to 14 April and on the other hand from 15 to 30 April.

Article 5

On sugar imported before 1 July 1974, Italy shall not grant the monetary compensatory amount applicable on the day of importation until the person concerned has proved that the sugar in question is marketed for consumption before this date. As regards sugar imported before 1 July 1974 but marketed for consumption from this date, this compensatory amount shall be reduced by 1 903 Italian lira per 100 kilogrammes of white sugar and by 1 619 Italian lira per 100 kilogrammes of raw sugar.

Article 6

1. Italy shall take national measures to prevent disturbances on the market resulting from the increase on 1 July 1974 in the price of sugar expressed in Italian lira. These provisions shall consist in particular of a payment to beet growers of the increased value of stocks.

2. The measures referred to in Article which have been adopted or are to be adopted shall be communicated in writing to the Commission before 5 June 1974.

Article 7

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

[1] OJ No L 140, 12. 6. 1969, p. 15.
[2] OJ No L 67, 14. 3. 1973, p. 12.

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

Done at Brussels, 5 April 1974.

For the Commission

The President

François-Xavier ORTOLI