COUNCIL REGULATION (EEC) No 1035/77

of 17 May 1977

laying down special measures to encourage the marketing of products processed from lemons

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (1),

Whereas the Community lemon processing industry depends on the disposal of the finished products outside the Member State producing the fresh product;

Whereas the cost of the Community raw material required for manufacture of the said products is greater than the cost of that from non-member countries; whereas in order to remedy this situation Community products should be made more competitive compared with those from non-member countries;

Whereas a system of financial compensation to reduce the cost of the raw material should be set up for this purpose; whereas this must be linked to a system of contracts guaranteeing both regular supplies to the processing industries and a minimum price to be paid by processors to the producers;

Whereas this system must be restricted to products suffering competition from similar products imported from non-member countries; whereas because of the closure of the Italian market an average of 85 % of Community production is at present in this situation; whereas financial compensation should however be granted for a larger percentage if the applicant can prove that he has disposed outside Italy of more than 85 % of the total quantity marketed;

Whereas the expenditure incurred by Member States as a result of the obligations arising from the application of this Regulation shall be borne by the Community in accordance with Article 3 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy (2), as last amended by Regulation (EEC) No 2788/72 (3);

Whereas the application of the arrangements referred to above should be limited to three marketing years pending the effects of the measures for restructuring production, processing and marketing in the lemon sector,

HAS ADOPTED THIS REGULATION:

Article 1

1. A system of aid to encourage the marketing of products processed from lemons harvested within the Community is hereby established for the 1977/78, 1978/79, and 1979/80 marketing years.

This system shall be based on contracts between Community producers and processors. These shall be signed for a minimum period to be determined and shall state the quantities to which they relate, the timetable for deliveries to the processors and the price to be paid to producers. On conclusion, the contracts shall be submitted to the competent authorities of the Member States concerned, who shall be responsible for checking the quantities delivered to the processors and the quality thereof.

3. A minimum price for deliveries under these contracts shall be fixed on the basis of the buying-in price for Quality Class III plus 15 % of the basic price. This shall be fixed before the start of each marketing year.

Article 2

Member States shall grant financial compensation to processors who have signed contracts in accordance with Article 1.

This financial compensation may not exceed the difference between the minimum purchase price referred to in Article 1 (3) and the price charged for the raw material in non-member producer countries.

Financial compensation shall be granted for 85 % of Community produce bought by processors at the abovementioned minimum purchase price. However, it shall be granted for a higher percentage of these products if the applicant proves that the amount of juice he has disposed of outside Italy in any given marketing year exceeds 85 % of the total quantity marketed by him.

(1) OJ No C 93, 18. 4. 1977, p. 11.
(2) OJ No L 94, 28. 4. 1970, p. 13.
(3) OJ No L 295, 30. 12. 1972, p. 1.

Financial compensation shall be paid to processors on request as soon as the checking authorities of the Member State in which processing took place have verified that the products covered by contract have in fact been processed.

The amount of financial compensation shall be fixed before the start of each marketing year.

Article 3

Detailed rules for the implementation of this Regulation shall be adopted in accordance with the procedure laid down in Article 33 of Council Regulation (EEC) No 1035/72 of 18 May 1972 on the common organization of the market in fruit and vegetables [1], as last amended by Regulation (EEC) No 1034/77 [2]. The same procedure shall be used to fix the amount of the financial compensation and the minimum price.

Article 4

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 June 1977.

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

Done at Brussels, 17 May 1977.

For the Council

The President

J. SILKIN

(1) OJ No L 118, 20. 5. 1972, p. 1.
(2) See page 1 of this Official Journal.